

2018/19 BUDGET DOCUMENT



“A Municipality in Pursuit of Excellence”

ANNUAL BUDGET OF
GREATER TAUNG LOCAL
MUNICIPALITY

2018/19 TO 2020/21

MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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PART 1: ANNUAL BUDGET

Purpose of the Approval of the Annual Budget for the Financial Year 2018/2019

The purpose of this report is to submit the budget for 2018/2019 to Council in line with the provisions of the Municipal Finance Management Act section 24(1) that stipulate that the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

1.1 MAYOR'S REPORT

Mayoral speech to be copied in here with May 2018 meeting.

1.2 COUNCIL RESOLUTIONS

Background

That Council takes note that section 16 of the MFMA requires that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of the financial year.

- (a) That Council takes note of the contents of the Budget of Greater Taung Local Municipality for the financial year 2018/2019 and indicative of the two projected outer years 2020 and 2021.
- (b) That Council recommends approval of the Budget for the 2018/2019 financial year as follows:

- 1.1 Operating revenue by source at an amount of R251 946 750
- 1.2 Operating expenditure by vote at an amount of R263 721 500
- 1.3 Capital Revenue by vote at an amount of R45 141 250
- 1.4 Capital expenditure by vote at an amount of R13 620 000 (own)
- 1.5 Capital expenditure by vote at an amount of R45 141 250(Grants)

- (c) That transfers within a vote be approved at the level of the Municipal Manager in order to reduce bottle-necks and ensure smooth operation of the municipality; and report be submitted to Council on quarterly basis of any transfers made during the financial year.
- (d) That transfer of funds from capital budget should be approved by the municipal manager through consultation with the mayor as per approved Virement Policy.
- (e) That Council recommends tariff increases as follows with affect from 01 July 2018:

Property rates	0%
Water	6 %
Electricity	6.84 %
Refuse	6 %
Sanitation	6 %
Other services	as and when a need arise by relevant sections

- (f) That Council recommends approval of the current indigent households for 2017/2018 on the register and for 2018/2019. The office of Chief Financial Officer perform verifications to all current indigent households to confirm their status in order to reduce time delay caused in applying verifying, processing and approval. New applications and those whom have not been approved can make new applications.

- (g) That the threshold for indigent customers be increased to amount of R3380.
- (h) That allowances for ward committee members be R1 500 per month on the condition of at least one sitting per month
- (i) That Council further recommends approval of the Salary Budget which is at 44% and that only vacant positions are filled.
- (j) That the 2018/2019 Tariff Schedule be approved
- (k) That Revenue Strategies be enhanced and implemented to collect outstanding monies due to Greater Taung Local Municipality
- (l) That the following budget related Policies and Bylaws, distributed by cd and workshopped in April 2018 be approved:
 - Asset Management Policy
 - Cash Management & Investment Policy
 - Credit Control & Debt Collection Policy
 - Funding & Reserve (Budget) Policy
 - Indigent Policy
 - Property Rates Policy
 - Supply Chain Management Policy
 - Tariff Policy
 - Virement Policy

Vision

A prosperous community that is socially, culturally and economically sustainable.

Morafe o o atlegileng o o botsalano o o ipelang ka setso le moruo o o tsepameng.

'n Welvaarende gemeenskap wat sosiaal, kultureel en ekonomies volhoubaar is.

Mission

Initiating and promoting sustainable socio-economic growth, that is accessible to development through agriculture, heritage and mining.

Value Statement

- *Batho*
- *Constitution*
- *Transparency*
- *Integrity*
- *Professionalism*

1.3 Executive Summary

Greater Taung Local Municipality (GTLM) is situated within Dr Ruth S Mompoti District Municipality in the North West Province. Being the largest local municipality in the district with a total population of 167 827 of the entire district of 459 358 (STATSSA Community Survey 2016), challenges of unemployment rate at 23% impact on service delivery as more than 90% constitute rural area with high indigent rate. The municipality is graded at 3 in terms of determination of upper limits for councillor's allowances and salaries.

Budget Assumptions

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's service delivery priorities have been reviewed through the adjustment budget, as part of this year's planning and budget preparation process. The results of this review were incorporated into the municipality's adjustment budget.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore the municipality has undertaken steps to ensure that council adopts cost containment measures as per the NT circulars.

Cash flow projections were based on 70% collection rate. Employee related costs were increased by 8%; the municipality's payroll is sitting at 44% of the total operating budget. Because of the small municipality, we rather add additional duties to a certain post than to fill a new position which is not yet fully functional to require a full-time appointment. The additional increase of 8% will also cater to benchmark official's salaries to keep them within the municipality after they have applied somewhere else. GTLM do have challenges to keep specialists and experienced employees.

The overall tariff rate of property rates did not increase for 2018/19. The government tariff that was increased in 2016/17 was reversed to the same as Business tariff.

Service charge for all services income (Water, Sanitation and Refuse collection) were increased by 6% and Electricity charges was increased by 6.84% as per NERSA guideline. The 2018/19 budget for service income was based on the actual income and not necessarily increased with 6%. The electricity payable to Eskom is projected to be R 4 092 000, this assumption is based on the current year's actual expenditure which is lower because of pre pay meter installations. Residents are using lesser electricity because they must pay in advance.

The Land Use Development Department is in a process to identify all properties of GTLM rented out to consumers and draft contracts thereto, to ensure that the municipality recognizes income from rental of houses and other properties correctly.

Income from rental of facilities (Halls, Stadiums and other facilities) is entailed in the draft 2018/2019 Tariff Schedule. National Treasury's MFMA Circular No. 89 and 91 were used to guide the compilation of the 2018/2019 MTREF.

The main challenges experienced during the compilation of the 2018/2019 MTREF can be summarised as follows:

- GTLM has a challenge of implementing capital year plans, currently the municipality is sitting at very low expenditure on capital assets and projects this does not include MIG projects
- Procurement plans from departments are not always aligned with the approved budget
- The municipality is experiencing delays with procurement due to the Supply Chain Management procurement processes
- Failure to collect money due to the municipality – Outstanding Debtors = R82m+.
- Non- reconciliation of reports between the finance department and technical departments
- Retention register not journalized into the financial system

The following table is a consolidated overview of the proposed 2018/2019 Medium-term Revenue and Expenditure Framework:

Table 1

Description	Adjustment B 2017/2018	Budget Year 2018/2019	Budget Year 2019/2020	Budget Year 2020/2021
Total Operating Income	244 097 000	251 946 750	267 213 000	281 434 000
Total Operating Expenditure	251 811 000	263 721 500	278 966 000	290 603 000
Surplus/(Deficit) for the year	(7 714 000)	(11 775 000)	(11 753 000)	(9 169 000)
Total Capital Transfers	61 671 000	45 141 250	46 124 000	48 567 000
Total Capital Expenditure	80 287 000	58 761 250	58 349 000	60 792 000

Total operating revenue has increased by R8m for the 2018/19 financial year when compared to the 2017/18 Adjustment Budget. For the two outer years, operational revenue will increase by R15m and R14m respectively.

Total operating expenditure for the 2018/19 financial year has been appropriated at R264m and translates into a budgeted deficit of R11.8m. When compared to the 2017/18 Adjustments Budget, operational expenditure has grown by R12m in the 2018/19 budget and by R15m and R11m for each of the respective outer years of the MTREF. Surpluses will be used to ensure cash backing of under collecting of debtors and funding of municipal (own) capital projects.

The capital budget is R58.7m for 2018/19 which is lower than 2017/18, because of a lower allocation of MIG as per DoRA 2018. The municipality did not increase capital expenditure from own funds due to non-spending by departments on capital assets and projects. However maintenance vote has increased with R5m to cater for the 8% of PPE phase-in process.

For Greater Taung Local Municipality to continue improving the quality of services provided to its community, it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 75 % annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;

- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

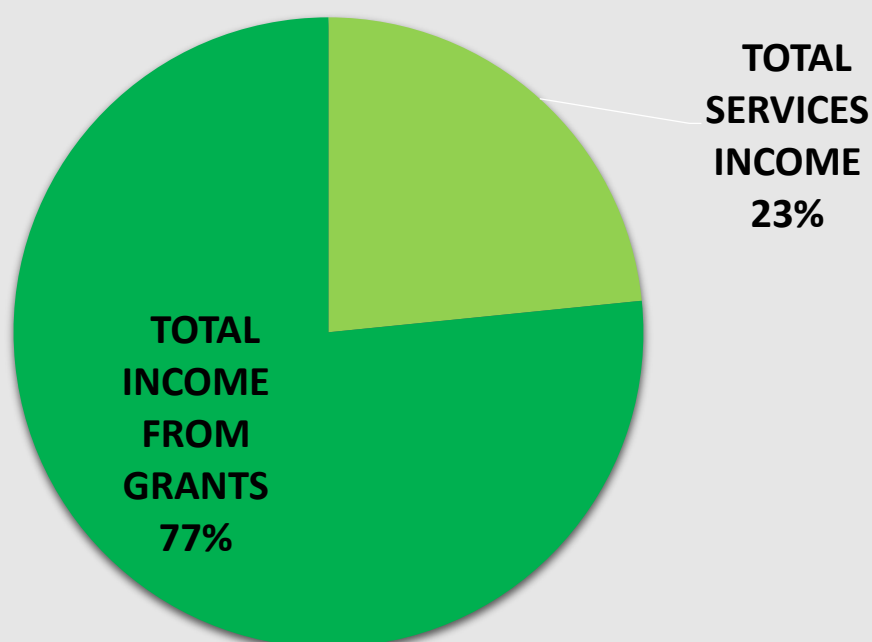
1.4 Operating Revenue Framework (Table A4)

The following table is a summary of the 2018/19 MTREF (classified by main **revenue source**). Monthly revenue projection as per Table A4.

Table 2

DESCRIPTION	2017/2018	2018/2019	2019/2020	2020/2021
Property Rates	36 500 000	38 500 000	39 000 000	39 500 000
Electricity	3 518 000	3 518 000	3 518 000	3 729 000
Refuse	3 099 000	3 285 000	3 482 000	3 691 000
Sanitation	1 927 000	2 043 000	2 165 000	2 295 000
Water	795 000	842 000	892 000	946 000
Sundry Income	21 196 000	21 339 000	22 013 000	22 046 000
Grant Transfers	238 733 000	227 561 000	242 267 000	257 955 000

INCOME PROPORTION OF GRANTS & SERVICES



In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

In the 2018/19 financial year, revenue from rates and services charges totaled R69.5m.

The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 64 MBRR SA1 (see A1 Schedule attached). Operating grants and transfers totals R181.8m in the 2018/19.

The following table gives a breakdown of the various **operating grants** and subsidies allocated to the municipality over the medium term:

Table 3

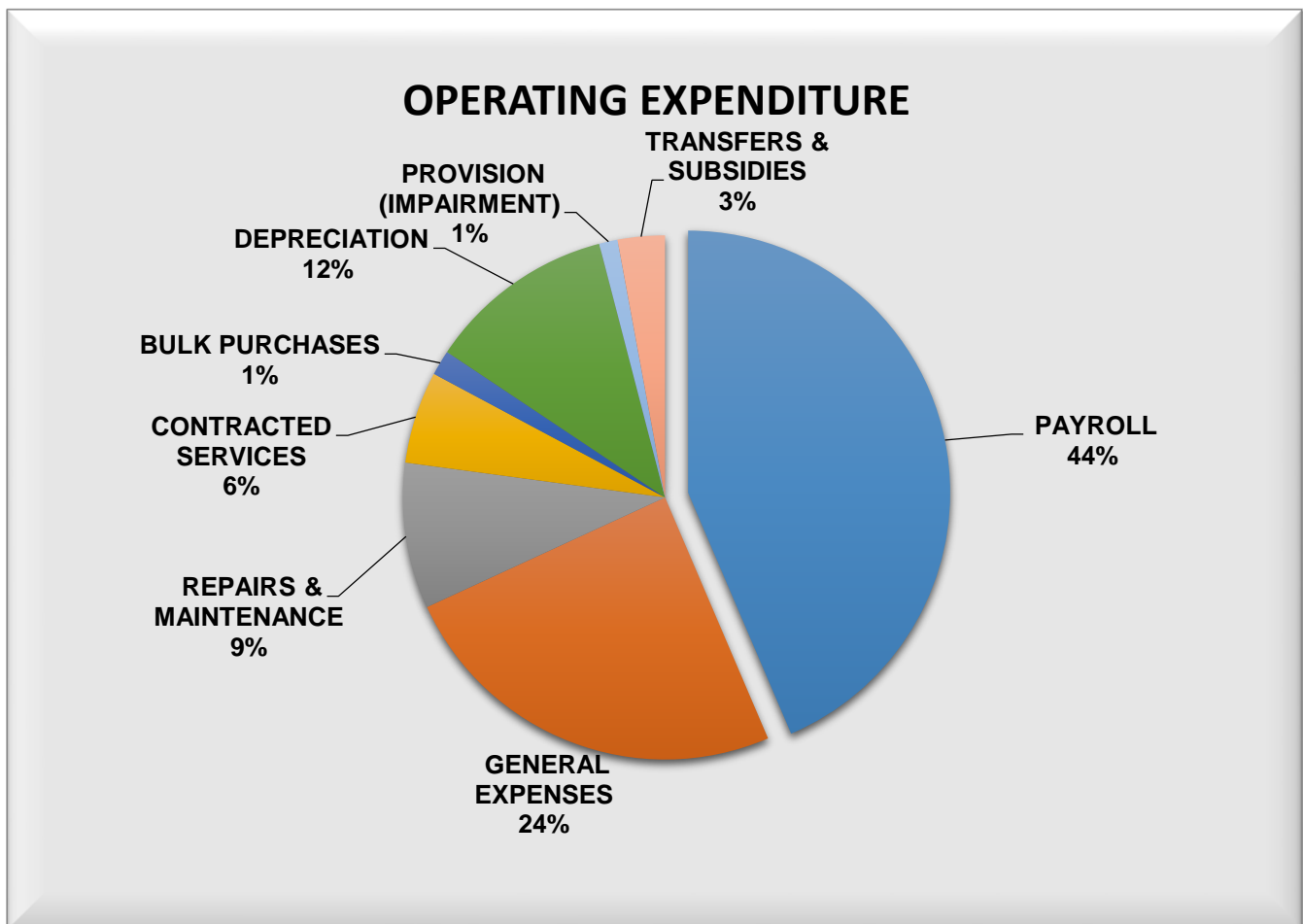
DESCRIPTION	2017/2018	2018/2019	2019/2020	2020/2021
National Grants	176 442 000	181 799 750	180 590 200	183 834 800
Equitable Share	170 353 000	175 974 000	175 330 000	178 014 000
Finance Management	2 345 000	2 415 000	2 880 000	3 312 000
MIG	2 435 000	2 333 750	2 380 200	2 508 800
EPWP	1 309 000	1 077 000	0	0
Provincial Grants	620 000	620 000	620 000	620 000
Sports & Recreation	620 000	620 000	620 000	620 000

1.5 Operating Expenditure Framework (Table A4)

The following table is a high level summary of the 2018/19 budget and MTREF (classified per main type of **operating expenditure**). Monthly Expenditure projections as Table A4.

Table 4

EXPENDITURE BY TYPE	2017/2018	2018/2019	2019/2020	2020/2021
Employee Cost	87 461 000	95 554 000	102 864 000	111 073 000
Remuneration to Cllrs	19 392 000	19 347 000	20 791 000	22 318 000
Debt Impairment	3 000 000	3 000 000	3 000 000	3 000 000
Depreciation	27 452 000	30 570 000	32 072 000	33 575 000
Finance Charges	815 000	0	0	0
Bulk Charges	3 817 000	4 092 000	4 378 000	4 685 000
Other Materials	19 050 000	23 718 000	23 900 000	25 900 000
Contracted Services	21 568 000	21 757 000	22 349 000	22 461 000
Transfers & Subsidies	13 075 000	13 194 000	13 033 000	13 741 000
Other Expenditure	56 976 000	52 491 000	56 578 000	53 850 000
Disposal of PPE	0	0	0	0



The municipality's expenditure framework for the 2018/19 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue)
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital program is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to fund the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The budgeted allocation for employee related costs for the 2018/19 financial year totals R115m, which equals 44% of the total operating expenditure.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget.

1.6 Capital Expenditure (Table A5)

The following table provides a breakdown of budgeted **capital expenditure** by vote:

Table 5

EXPENDITURE BY TYPE	2017/2018	2018/2019	2019/2020	2020/2021
Executive & Council	165 000	3 029 000	2 620 000	2 749 000
Finance & Administration	3 196 000	610 000	160 000	160 000
Community & Social Serv	37 128 000	23 229 000	14 445 000	13 445 000
Sport & Recreation	1 120 000	1 100 000	9 790 000	5 790 000
Planning & Development	51 000	20 000	0	0
Roads	29 585 000	15 324 000	17 133 000	23 448 000
Energy Sources	6 642 000	9 780 000	9 100 000	10 600 000
Water & Waste Water	2 400 000	1 300 000	600 000	600 000
Waste Management	0	4 370 000	4 500 000	4 000 000
TOTAL	80 287 000	58 761 000	58 349 000	60 792 000

Table 6 Expenditure on allocations and grants programmes (SA19)

NW394 Greater Taung - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		138 612	176 216	167 898	176 442	176 442	176 442	181 800	195 523	208 768
Local Government Equitable Share		134 670	171 557	164 554	170 353	170 353	170 353	175 974	190 263	202 947
Finance Management		1 799	1 876	1 992	2 345	2 345	2 345	2 415	2 880	3 312
EPWP Incentive		1 269	1 852	1 352	1 309	1 309	1 309	1 077	-	-
Municipal Systems Improvement		874	931	-						
MIG (PMU)					2 435	2 435	2 435	2 334	2 380	2 509
Provincial Government:		204	616	620	620	620	620	620	620	620
Sport and Recreation		204	616	620	620	620	620	620	620	620
MIG (PMU)										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants		138 816	176 832	168 518	177 062	177 062	177 062	182 420	196 143	209 388
Capital expenditure of Transfers and Grants										
National Government:		51 169	31 632	44 307	60 971	60 971	60 971	44 341	45 224	47 667
Municipal Infrastructure Grant (MIG)		46 133	31 052	43 679	60 971	60 971	60 971	44 341	45 224	47 667
Neighbourhood Development Partnership		3 784								
Integrated National Electrification Programme		1 253	580	628						
Provincial Government:		-	-	-	700	700	700	800	900	900
Sports and Recreation(Capital)					700	700	700	800	900	900
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		51 169	31 632	44 307	61 671	61 671	61 671	45 141	46 124	48 567
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		189 985	208 464	212 824	238 733	238 733	238 733	227 561	242 267	257 955

1.7 Annual Budget Table (Parent Municipality)

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2018/19 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Internally generated funds are financed from the accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is not improving but indicates that the necessary cash resources are available to fund the Capital Budget.
4. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 7 (Table A1 Budget Summary)

NW394 Greater Taung - Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
Financial Performance										
Property rates	15 777	14 278	26 849	31 500	36 500	36 500	36 500	38 500	39 000	39 500
Service charges	7 557	8 257	7 795	9 839	9 339	9 339	9 339	9 688	10 057	10 500
Investment revenue	5 886	9 011	12 442	7 000	11 000	11 000	11 000	11 500	12 000	12 500
Transfers recognised - operational	137 738	175 285	168 560	177 062	177 062	177 062	177 062	182 420	196 143	209 388
Other own revenue	4 279	7 254	7 707	8 696	10 196	10 196	10 196	9 839	10 013	9 546
Total Revenue (excluding capital transfers and contributions)	171 237	214 085	223 352	234 097	244 097	244 097	244 097	251 947	267 213	281 434
Employee costs	56 269	71 598	72 956	87 461	87 461	87 461	87 461	95 554	102 864	111 073
Remuneration of councillors	15 294	17 691	15 653	19 392	19 392	19 392	19 392	19 347	20 791	22 318
Depreciation & asset impairment	28 113	17 854	32 039	27 452	27 452	27 452	27 452	30 570	32 072	33 575
Finance charges	1 531	1 635	1 595	815	20	20	20	-	-	-
Materials and bulk purchases	9 835	11 066	17 637	22 867	22 867	22 867	22 867	27 810	28 278	30 585
Transfers and grants	6 937	6 794	12 742	13 075	13 075	13 075	13 075	13 194	13 033	13 741
Other expenditure	52 105	38 619	57 062	76 750	81 544	81 544	81 544	77 248	81 927	79 311
Total Expenditure	170 084	165 256	209 684	247 812	251 811	251 811	251 811	263 722	278 966	290 603
Surplus/(Deficit)	1 154	48 829	13 669	(13 715)	(7 714)	(7 714)	(7 714)	(11 775)	(11 753)	(9 169)
Transfers and subsidies - capital (monetary allocation)	52 247	33 179	44 265	61 671	61 671	61 671	61 671	45 141	46 124	48 567
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	53 400	82 008	57 933	47 956	53 957	53 957	53 957	33 367	34 371	39 398
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	53 400	82 008	57 933	47 956	53 957	53 957	53 957	33 367	34 371	39 398
Capital expenditure & funds sources										
Capital expenditure	61 706	104 583	108 138	74 287	80 287	80 287	80 287	58 761	58 349	60 792
Transfers recognised - capital	51 901	93 285	94 752	61 671	61 671	61 671	61 671	45 141	46 124	48 567
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	9 805	11 299	13 385	12 616	18 616	18 616	18 616	13 620	12 225	12 225
Total sources of capital funds	61 706	104 583	108 138	74 287	80 287	80 287	80 287	58 761	58 349	60 792
Financial position										
Total current assets	133 025	163 963	222 435	193 234	193 234	193 234	296 299	292 416	292 416	292 416
Total non current assets	469 688	496 886	515 408	614 687	614 687	614 687	614 850	1 118 890	1 118 890	1 118 890
Total current liabilities	56 582	31 481	48 454	21 687	21 687	21 687	33 181	36 703	36 703	36 703
Total non current liabilities	18 656	20 466	22 553	22 002	22 002	22 002	22 002	22 938	22 938	22 938
Community wealth/Equity	527 475	608 902	666 835	764 231	764 231	764 231	855 965	1 351 665	1 351 665	1 351 665
Cash flows										
Net cash from (used) operating	99 739	62 855	95 590	77 854	77 854	77 854	86 795	(39 571)	(42 944)	(46 905)
Net cash from (used) investing	(62 492)	(48 929)	(51 037)	(74 337)	(74 337)	(74 337)	(33 949)	(13 620)	(12 225)	(12 225)
Net cash from (used) financing	(714)	(640)	1 354	(1 600)	(1 600)	(1 600)	(1 600)	(1 700)	(1 800)	(1 900)
Cash/cash equivalents at the year end	102 752	116 038	161 945	141 181	141 181	141 181	213 191	172 788	115 819	54 790
Cash backing/surplus reconciliation										
Cash and investments available	102 753	116 038	161 945	141 181	141 181	141 181	222 606	222 606	222 606	222 606
Application of cash and investments	27 319	(2 753)	13 955	(10 532)	(7 643)	(7 643)	(26 652)	(2 836)	(4 503)	(6 674)
Balance - surplus (shortfall)	75 434	118 791	147 989	151 712	148 824	148 824	249 259	225 442	227 109	229 280
Asset management										
Asset register summary (WDV)	469 688	496 886	515 408	509 271	515 433	515 433	-	600 089	656 151	717 914
Depreciation	28 113	17 854	32 039	27 452	27 452	27 452	-	30 570	32 072	33 575
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	6 841	7 857	14 335	19 050	19 050	19 050	-	23 718	23 900	25 900
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Table 8

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 4 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Governance and Administration.

NW394 Greater Taung - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional										
<i>Governance and administration</i>		105 515	128 908	137 174	153 648	229 832	229 832	237 967	252 816	266 463
Executive and council		42 157	53 383	51 256	54 601	170 690	170 690	176 523	190 905	203 092
Finance and administration		63 359	75 525	85 918	99 048	59 142	59 142	61 444	61 911	63 371
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		11 755	15 862	16 818	17 344	1 984	1 984	2 086	2 188	2 190
Community and social services		4 307	6 459	8 697	8 709	1 984	1 984	2 086	2 188	2 190
Sport and recreation		7 448	9 403	8 121	8 635	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		67 201	55 835	70 636	77 353	64 553	64 553	47 287	48 216	50 788
Planning and development		6 556	7 810	7 252	8 272	1 147	1 147	612	612	612
Road transport		60 645	48 025	63 384	69 081	63 406	63 406	46 675	47 604	50 176
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		39 013	46 660	42 989	47 423	9 399	9 399	9 748	10 117	10 560
Energy sources		11 521	12 010	15 668	17 980	3 538	3 538	3 538	3 538	3 588
Water management		4 592	5 230	3 286	3 570	815	815	842	892	946
Waste water management		7 942	9 891	9 859	10 577	1 947	1 947	2 063	2 185	2 315
Waste management		14 958	19 529	14 176	15 295	3 099	3 099	3 305	3 502	3 711
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	223 484	247 264	267 617	295 768	305 768	305 768	297 088	313 337	330 001
Expenditure - Functional										
<i>Governance and administration</i>		115 200	104 361	136 462	163 256	167 656	167 656	170 268	182 306	186 956
Executive and council		35 540	35 182	39 303	54 052	62 372	62 372	70 560	74 707	78 356
Finance and administration		79 660	69 178	97 158	109 204	105 284	105 284	99 708	107 599	108 600
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		7 432	9 472	10 653	13 646	13 646	13 646	21 628	20 172	22 217
Community and social services		2 917	3 619	4 840	6 834	6 834	6 834	12 898	11 190	12 630
Sport and recreation		4 515	5 854	5 813	6 812	6 812	6 812	8 730	8 982	9 587
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		21 241	19 310	22 030	25 505	25 105	25 105	23 627	24 636	26 268
Planning and development		4 931	5 513	6 014	9 248	9 048	9 048	7 355	7 834	8 352
Road transport		16 310	13 797	16 016	16 257	16 057	16 057	16 273	16 802	17 915
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		26 211	32 113	40 539	45 405	45 404	45 404	48 198	51 852	55 162
Energy sources		9 515	11 745	17 137	18 044	18 044	18 044	21 958	23 938	25 488
Water management		1 265	1 564	2 151	3 104	3 104	3 104	2 950	3 019	3 032
Waste water management		4 777	6 682	9 385	9 274	9 274	9 274	8 969	9 436	9 948
Waste management		10 653	12 122	11 866	14 983	14 983	14 983	14 321	15 459	16 694
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	170 084	165 256	209 684	247 812	251 811	251 811	263 722	278 966	290 603
Surplus/(Deficit) for the year		53 400	82 008	57 933	47 956	53 957	53 957	33 367	34 371	39 398

Table 9**Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the water trading services.

NW394 Greater Taung - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote		1									
Vote 1 - Community and Social Services			4 307	6 459	8 697	8 709	1 984	1 984	2 086	2 188	2 190
Vote 2 - Energy Sources			11 521	12 010	15 668	17 980	3 538	3 538	3 538	3 538	3 588
Vote 3 - Executive and Council			42 157	53 383	51 256	54 601	170 690	170 690	176 523	190 905	203 092
Vote 4 - Finance and Administration			63 359	75 525	85 918	99 048	59 142	59 142	61 444	61 911	63 371
Vote 5 - Planning and Development			6 556	7 810	7 252	8 272	1 147	1 147	612	612	612
Vote 6 - Road Transport			60 645	48 025	63 384	69 081	63 406	63 406	46 675	47 604	50 176
Vote 7 - Sports and Recreation			7 448	9 403	8 121	8 635	-	-	-	-	-
Vote 8 - Waste Managemnt			14 958	19 529	14 176	15 295	3 099	3 099	3 305	3 502	3 711
Vote 9 - Waste Water Management			7 942	9 891	9 859	10 577	1 947	1 947	2 063	2 185	2 315
Vote 10 - Water Managemnt			4 592	5 230	3 286	3 570	815	815	842	892	946
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-
Total Revenue by Vote		2	223 484	247 264	267 617	295 768	305 768	305 768	297 088	313 337	330 001
Expenditure by Vote to be appropriated		1									
Vote 1 - Community and Social Services			2 917	3 619	4 840	6 834	6 834	6 834	12 898	11 190	12 630
Vote 2 - Energy Sources			9 515	11 745	17 137	18 044	18 044	18 044	21 958	23 938	25 488
Vote 3 - Executive and Council			35 540	35 182	39 303	54 052	62 372	62 372	70 560	74 707	78 356
Vote 4 - Finance and Administration			79 660	69 178	97 158	109 204	105 284	105 284	99 708	107 599	108 600
Vote 5 - Planning and Development			4 931	5 513	6 014	9 248	9 048	9 048	7 355	7 834	8 352
Vote 6 - Road Transport			16 310	13 797	16 016	16 257	16 057	16 057	16 273	16 802	17 915
Vote 7 - Sports and Recreation			4 515	5 854	5 813	6 812	6 812	6 812	8 730	8 982	9 587
Vote 8 - Waste Managemnt			10 653	12 122	11 866	14 983	14 983	14 983	14 321	15 459	16 694
Vote 9 - Waste Water Management			4 777	6 682	9 385	9 274	9 274	9 274	8 969	9 436	9 948
Vote 10 - Water Managemnt			1 265	1 564	2 151	3 104	3 104	3 104	2 950	3 019	3 032
Vote 11 - [NAME OF VOTE 11]			-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]			-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]			-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	170 084	165 256	209 684	247 812	251 811	251 811	263 722	278 966	290 603
Surplus/(Deficit) for the year		2	53 400	82 008	57 933	47 956	53 957	53 957	33 367	34 371	39 398

Table 10**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Total operating revenue has increased by R7m to R244m for the 2018/19 financial year when compared to the 2017/18 Adjustment Budget. For the two outer years, operational revenue will increase by R15m and R14m respectively.

Total operating expenditure for the 2018/19 financial year has been appropriated at R264m and translates into a budgeted deficit of R11.7m which included non-cash items adding R31m. When compared to the 2017/18 Adjustments Budget, operational expenditure has grown by R12m in the 2018/19 budget and by R15m and R12m for each of the respective outer years of the MTREF.

Surpluses will be used to ensure cash backing of under collecting of debtors and funding of municipal (own) capital projects.

The capital budget is R58.7m for 2018/19 which is lower than 2017/18. This is due to a smaller allocation of MIG as per the 2018/19 DoRA. The municipality has decreased capital expenditure from own funds due to non-spending by departments on capital assets and projects and increased Maintenance on assets.

NW394 Greater Taung - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source												
Property rates		2	15 777	14 278	26 849	31 500	36 500	36 500	36 500	38 500	39 000	39 500
Service charges - electricity revenue		2	2 714	2 913	2 613	4 018	3 518	3 518	3 518	3 518	3 518	3 568
Service charges - water revenue		2	600	767	690	795	795	795	795	842	892	946
Service charges - sanitation revenue		2	1 618	1 893	1 721	1 927	1 927	1 927	1 927	2 043	2 165	2 295
Service charges - refuse revenue		2	2 625	2 685	2 771	3 099	3 099	3 099	3 099	3 285	3 482	3 691
Service charges - other			–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment			330	361	484	596	596	596	596	596	596	596
Interest earned - external investments			5 886	9 011	12 442	7 000	11 000	11 000	11 000	11 500	12 000	12 500
Interest earned - outstanding debtors			3 168	5 124	5 190	5 641	6 641	6 641	6 641	6 714	6 782	6 804
Dividends received			–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits			–	–	–	295	–	–	–	–	–	–
Licences and permits			–	–	–	–	–	–	–	–	–	–
Agency services			–	–	–	–	–	–	–	–	–	–
Transfers and subsidies			137 738	175 285	168 560	177 062	177 062	177 062	177 062	182 420	196 143	209 388
Other revenue		2	384	1 769	2 033	2 165	2 059	2 059	2 059	2 129	2 235	1 746
Gains on disposal of PPE			398	–	–	–	900	900	900	400	400	400
Total Revenue (excluding capital transfers and contributions)			171 237	214 085	223 352	234 097	244 097	244 097	244 097	251 947	267 213	281 434
Expenditure By Type												
Employee related costs		2	56 269	71 598	72 956	87 461	87 461	87 461	87 461	95 554	102 864	111 073
Remuneration of councillors			15 294	17 691	15 653	19 392	19 392	19 392	19 392	19 347	20 791	22 318
Debt impairment		3	6 109	(7 144)	3 209	8 000	3 000	3 000	3 000	3 000	3 000	3 000
Depreciation & asset impairment		2	28 113	17 854	32 039	27 452	27 452	27 452	27 452	30 570	32 072	33 575
Finance charges			1 531	1 635	1 595	815	20	20	20	–	–	–
Bulk purchases		2	2 994	3 209	3 302	3 817	3 817	3 817	3 817	4 092	4 378	4 685
Other materials		8	6 841	7 857	14 335	19 050	19 050	19 050	19 050	23 718	23 900	25 900
Contracted services			13 310	13 697	17 250	20 568	21 568	21 568	21 568	21 757	22 349	22 461
Transfers and subsidies			6 937	6 794	12 742	13 075	13 075	13 075	13 075	13 194	13 033	13 741
Other expenditure		4, 5	32 548	32 025	36 125	48 182	56 976	56 976	56 976	52 491	56 578	53 850
Loss on disposal of PPE			138	41	477	–	–	–	–	–	–	–
Total Expenditure			170 084	165 256	209 684	247 812	251 811	251 811	251 811	263 722	278 966	290 603
Surplus/(Deficit)			1 154	48 829	13 669	(13 715)	(7 714)	(7 714)	(7 714)	(11 775)	(11 753)	(9 169)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			52 247	33 179	44 265	61 671	61 671	61 671	61 671	45 141	46 124	48 567
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all)		6	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions			53 400	82 008	57 933	47 956	53 957	53 957	53 957	33 367	34 371	39 398
Taxation												
Surplus/(Deficit) after taxation			53 400	82 008	57 933	47 956	53 957	53 957	53 957	33 367	34 371	39 398
Attributable to minorities												
Surplus/(Deficit) attributable to municipality			53 400	82 008	57 933	47 956	53 957	53 957	53 957	33 367	34 371	39 398
Share of surplus/ (deficit) of associate		7										
Surplus/(Deficit) for the year			53 400	82 008	57 933	47 956	53 957	53 957	53 957	33 367	34 371	39 398

Table 11

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification;

and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. No multi-year appropriations have been done.
3. Single-year capital expenditure has been appropriated at R58 761 000 for the 2018/19 financial year and R58 349 000 and R60 792 000 respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality.
5. The capital programme is funded from national- and provincial grants and transfers and internally generated funds from previous year surpluses.

NW394 Greater Taung - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 1 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 2 - Energy Sources		-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 4 - Finance and Administration		-	-	-	-	-	-	-	-	-	-
Vote 5 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 7 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 8 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 9 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 10 - Water Management		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Community and Social Services		-	30 438	-	37 127	37 127	37 127	37 127	15 425	14 445	13 445
Vote 2 - Energy Sources		-	-	-	6 642	6 642	6 642	6 642	9 780	9 100	10 600
Vote 3 - Executive and Council		-	-	-	165	165	165	165	3 029	2 620	2 749
Vote 4 - Finance and Administration		9 805	7 753	7 159	3 196	3 196	3 196	3 196	610	160	160
Vote 5 - Planning and Development		-	-	-	51	51	51	51	20	-	-
Vote 6 - Road Transport		51 901	66 393	100 978	23 585	29 585	29 585	29 585	15 324	17 133	23 448
Vote 7 - Sports and Recreation		-	-	-	1 120	1 120	1 120	1 120	8 904	9 790	5 790
Vote 8 - Waste Management		-	-	-	-	-	-	-	4 370	4 500	4 000
Vote 9 - Waste Water Management		-	-	-	2 400	2 400	2 400	2 400	1 300	600	600
Vote 10 - Water Management		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		61 706	104 583	108 138	74 287	80 287	80 287	80 287	58 761	58 349	60 792
Total Capital Expenditure - Vote		61 706	104 583	108 138	74 287	80 287	80 287	80 287	58 761	58 349	60 792
Capital Expenditure - Functional											
Governance and administration		9 805	7 753	7 159	3 361	3 361	3 361	3 361	3 639	2 780	2 909
Executive and council		-	-	-	165	165	165	165	3 029	2 620	2 749
Finance and administration		9 805	7 753	7 159	3 196	3 196	3 196	3 196	610	160	160
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	30 438	-	38 248	38 248	38 248	38 248	24 329	24 235	19 235
Community and social services		-	30 438	-	37 128	37 128	37 128	37 128	23 229	14 445	13 445
Sport and recreation		-	-	-	1 120	1 120	1 120	1 120	1 100	9 790	5 790
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		51 901	66 393	100 978	23 636	29 636	29 636	29 636	15 344	17 133	23 448
Planning and development		-	-	-	51	51	51	51	20	-	-
Road transport		51 901	66 393	100 978	23 585	29 585	29 585	29 585	15 324	17 133	23 448
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	9 042	9 042	9 042	9 042	15 450	14 200	15 200
Energy sources		-	-	-	6 642	6 642	6 642	6 642	9 780	9 100	10 600
Water management		-	-	-	-	-	-	-	600	600	600
Waste water management		-	-	-	2 400	2 400	2 400	2 400	700	-	-
Waste management		-	-	-	-	-	-	-	4 370	4 500	4 000
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	61 706	104 583	108 138	74 287	80 287	80 287	80 287	58 761	58 349	60 792
Funded by:											
National Government		51 901	93 285	94 167	60 971	60 971	60 971	60 971	44 341	45 224	47 667
Provincial Government		-	-	585	700	700	700	700	800	900	900
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	51 901	93 285	94 752	61 671	61 671	61 671	61 671	45 141	46 124	48 567
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		9 805	11 299	13 385	12 616	18 616	18 616	18 616	13 620	12 225	12 225
Total Capital Funding	7	61 706	104 583	108 138	74 287	80 287	80 287	80 287	58 761	58 349	60 792

Table 12**Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

NW394 Greater Taung - Table A6 Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS											
Current assets											
Cash		3 635	9 018	8 977	33 548	33 548	33 548	11 844	11 844	11 844	11 844
Call investment deposits	1	99 117	107 019	152 968	107 633	107 633	107 633	210 762	210 762	210 762	210 762
Consumer debtors	1	3 463	14 282	24 541	38 448	38 448	38 448	60 154	60 154	60 154	60 154
Other debtors		19 711	26 525	28 846	6 486	6 486	6 486	6 538	2 655	2 655	2 655
Current portion of long-term receivables											
Inventory	2	7 099	7 119	7 104	7 119	7 119	7 119	7 001	7 001	7 001	7 001
Total current assets		133 025	163 963	222 435	193 234	193 234	193 234	296 299	292 416	292 416	292 416
Non current assets											
Long-term receivables											
Investments											
Investment property		21 534	21 534	21 534	21 534	21 534	21 534	21 534	21 534	21 534	21 534
Investment in Associate											
Property, plant and equipment	3	447 718	475 077	493 229	592 671	592 671	592 671	592 671	1 096 711	1 096 711	1 096 711
Agricultural											
Biological											
Intangible		436	275	645	482	482	482	644	644	644	644
Other non-current assets											
Total non current assets		469 688	496 886	515 408	614 687	614 687	614 687	614 850	1 118 890	1 118 890	1 118 890
TOTAL ASSETS		602 714	660 849	737 842	807 921	807 921	807 921	911 149	1 411 306	1 411 306	1 411 306
LIABILITIES											
Current liabilities											
Bank overdraft	1								-	-	-
Borrowing	4	640	341	523	341	341	341	1 695	1 695	1 695	1 695
Consumer deposits		132	124	105	400	400	400	327	327	327	327
Trade and other payables	4	53 635	29 232	45 381	20 696	20 696	20 696	30 271	33 792	33 792	33 792
Provisions		2 175	1 784	2 445	250	250	250	889	889	889	889
Total current liabilities		56 582	31 481	48 454	21 687	21 687	21 687	33 181	36 703	36 703	36 703
Non current liabilities											
Borrowing		341	-	1 172	-	-	-	-	-	-	-
Provisions		18 315	20 466	21 382	22 002	22 002	22 002	22 002	22 938	22 938	22 938
Total non current liabilities		18 656	20 466	22 553	22 002	22 002	22 002	22 002	22 938	22 938	22 938
TOTAL LIABILITIES		75 239	51 947	71 007	43 690	43 689	43 689	55 184	59 641	59 641	59 641
NET ASSETS	5	527 475	608 902	666 835	764 231	764 231	764 231	855 965	1 351 665	1 351 665	1 351 665
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		527 475	608 902	666 835	764 231	764 231	764 231	764 231	1 351 665	1 351 665	1 351 665
Reserves	4	-	-	-	-	-	-	91 733	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	527 475	608 902	666 835	764 231	764 231	764 231	855 965	1 351 665	1 351 665	1 351 665

Table 13**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

NW394 Greater Taung - Table A7 Budgeted Cash Flows

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			15 848	15 821	16 402	22 050	22 050	22 050	27 286	26 950	28 567	30 281
Service charges			7 557	6 104	7 008	6 751	6 751	6 751	4 098	6 782	7 188	7 620
Other revenue			7 500	1 425	1 520	5 972	5 972	5 972	15 674	3 437	3 643	3 862
Government - operating		1	137 738	143 587	168 023	177 062	177 062	177 062	127 410	182 420	196 143	209 388
Government - capital		1	52 247	36 303	54 449	61 671	61 671	61 671	38 743	45 141	46 124	48 567
Interest			2 267	10 864	14 479	7 000	7 000	7 000	1 210	11 500	12 000	12 500
Dividends			-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees			(123 290)	(142 819)	(151 954)	(188 762)	(188 762)	(188 762)	(120 573)	(164 466)	(176 195)	(189 083)
Finance charges			(129)	(1 635)	(1 595)	(815)	(815)	(815)	(18)	-	-	-
Transfers and Grants		1		(6 794)	(12 742)	(13 075)	(13 075)	(13 075)	(7 035)	(151 334)	(160 414)	(170 039)
NET CASH FROM/(USED) OPERATING ACTIVITIES			99 739	62 855	95 590	77 854	77 854	77 854	86 795	(39 571)	(42 944)	(46 905)
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			-	-	1 039	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors										-	-	-
Decrease (Increase) other non-current receivables										-	-	-
Decrease (Increase) in non-current investments										-	-	-
Payments												
Capital assets			(62 492)	(48 929)	(52 076)	(74 337)	(74 337)	(74 337)	(33 949)	(13 620)	(12 225)	(12 225)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(62 492)	(48 929)	(51 037)	(74 337)	(74 337)	(74 337)	(33 949)	(13 620)	(12 225)	(12 225)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans										-	-	-
Borrowing long term/refinancing										-	-	-
Increase (decrease) in consumer deposits										-	-	-
Payments												
Repayment of borrowing			(714)	(640)	1 354	(1 600)	(1 600)	(1 600)	(1 600)	(1 700)	(1 800)	(1 900)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(714)	(640)	1 354	(1 600)	(1 600)	(1 600)	(1 600)	(1 700)	(1 800)	(1 900)
NET INCREASE/ (DECREASE) IN CASH HELD				36 533	13 285	45 907	1 917	1 917	1 917	(54 891)	(56 969)	(61 030)
Cash/cash equivalents at the year begin:		2	66 220	102 753	116 038	139 264	139 264	139 264	161 945	227 678	172 788	115 819
Cash/cash equivalents at the year end:		2	102 752	116 038	161 945	141 181	141 181	141 181	213 191	172 788	115 819	54 790

Table 14**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

NW394 Greater Taung - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available												
Cash/cash equivalents at the year end		1	102 752	116 038	161 945	141 181	141 181	141 181	213 191	172 788	115 819	54 790
Other current investments > 90 days		1	–	(0)	(0)	–	–	–	9 415	49 818	106 787	167 816
Non current assets - Investments		1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:			102 753	116 038	161 945	141 181	141 181	141 181	222 606	222 606	222 606	222 606
Application of cash and investments												
Unspent conditional transfers			–	–	–	–	–	–	–	12 162	12 162	12 162
Unspent borrowing			–	–	–	–	–	–	–	–	–	–
Statutory requirements		2										
Other working capital requirements		3	27 319	(2 753)	13 955	(10 532)	(7 643)	(7 643)	(26 652)	(14 999)	(16 666)	(18 837)
Other provisions												
Long term investments committed		4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments		5										
Total Application of cash and investments:			27 319	(2 753)	13 955	(10 532)	(7 643)	(7 643)	(26 652)	(2 836)	(4 503)	(6 674)
Surplus(shortfall)			75 434	118 791	147 989	151 712	148 824	148 824	249 259	225 442	227 109	229 280

Table 15

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality is not in a position to meet the requirements due to its limited revenue base.

NW394 Greater Taung - Table A9 Asset Management

Description		Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CAPITAL EXPENDITURE											
Total New Assets		1	61 706	104 583	108 138	74 287	80 287	80 287	58 761	58 349	60 792
Roads Infrastructure			1 030	29 007	18 202	18 160	24 160	24 160	15 244	17 053	23 368
Storm water Infrastructure			-	-	-	-	-	-	250	-	-
Electrical Infrastructure			-	-	-	6 642	6 642	6 642	9 880	8 500	10 000
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			50 871	37 386	45 111	2 471	2 471	2 471	445	445	445
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			51 901	66 393	63 313	27 273	33 273	33 273	25 819	25 998	33 813
Community Facilities			-	30 438	37 666	19 398	34 398	34 398	16 414	15 380	14 509
Sport and Recreation Facilities			-	-	-	15 000	-	-	8 004	9 290	5 290
Community Assets			-	30 438	37 666	34 398	34 398	34 398	24 418	24 671	19 799
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			705	7 706	6 738	3 170	3 170	3 170	2 000	2 000	2 000
Housing			-	-	-	-	-	-	-	-	-
Other Assets			705	7 706	6 738	3 170	3 170	3 170	2 000	2 000	2 000
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	47	421	-	-	-	-	-	-
Intangible Assets			-	47	421	-	-	-	-	-	-
Computer Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			1 100	-	-	441	441	441	995	300	300
Machinery and Equipment			3 700	-	-	3 255	3 255	3 255	2 730	2 480	1 980
Transport Assets			4 300	-	-	5 750	5 750	5 750	2 000	2 000	2 000
Libraries			-	-	-	-	-	-	800	900	900
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets		2	-	-	-	-	-	-	-	-	-
Roads Infrastructure			-	-	-	-	-	-	-	-	-
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			-	-	-	-	-	-	-	-	-
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	-	-	-	-	-	-
Community Facilities			-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities			-	-	-	-	-	-	-	-	-
Community Assets			-	-	-	-	-	-	-	-	-
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-
Other Assets			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-
Computer Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Machinery and Equipment			-	-	-	-	-	-	-	-	-
Transport Assets			-	-	-	-	-	-	-	-	-
Libraries			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets		6	-	-	-	-	-	-	-	-	-
Roads Infrastructure			-	-	-	-	-	-	-	-	-
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			-	-	-	-	-	-	-	-	-
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	-	-	-	-	-	-
Community Facilities			-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities			-	-	-	-	-	-	-	-	-
Community Assets			-	-	-	-	-	-	-	-	-
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	24
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-
Other Assets			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-

Total Capital Expenditure	4									
Roads Infrastructure		1 030	29 007	18 202	18 160	24 160	24 160	15 244	17 053	23 368
Storm water Infrastructure		-	-	-	-	-	-	250	-	-
Electrical Infrastructure		-	-	-	6 642	6 642	6 642	9 880	8 500	10 000
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		50 871	37 386	45 111	2 471	2 471	2 471	445	445	445
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		51 901	66 393	63 313	27 273	33 273	33 273	25 819	25 998	33 813
Community Facilities		-	30 438	37 666	19 398	34 398	34 398	16 414	15 380	14 509
Sport and Recreation Facilities		-	-	-	15 000	-	-	8 004	9 290	5 290
Community Assets		-	30 438	37 666	34 398	34 398	34 398	24 418	24 671	19 799
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		705	7 706	6 738	3 170	3 170	3 170	2 000	2 000	2 000
Housing		-	-	-	-	-	-	-	-	-
Other Assets		705	7 706	6 738	3 170	3 170	3 170	2 000	2 000	2 000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	47	421	-	-	-	-	-	-
Intangible Assets		-	47	421	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		1 100	-	-	441	441	441	995	300	300
Machinery and Equipment		3 700	-	-	3 255	3 255	3 255	2 730	2 480	1 980
Transport Assets		4 300	-	-	5 750	5 750	5 750	2 000	2 000	2 000
Libraries		-	-	-	-	-	-	800	900	900
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		61 706	104 583	108 138	74 287	80 287	80 287	58 761	58 349	60 792
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Roads Infrastructure		190 025	165 221	218 361	232 854	238 854	238 854	263 014	278 258	301 626
Storm water Infrastructure		-	-	-	-	-	-	-	250	250
Electrical Infrastructure		-	54 004	-	11 866	11 866	11 866	18 508	28 388	36 888
Water Supply Infrastructure		-	14 266	-	290	290	290	2 761	3 206	3 651
Sanitation Infrastructure		-	21 676	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		74 124	95 998	40 883	(6 739)	(6 739)	(6 739)	-	-	-
Infrastructure		264 149	351 164	259 244	238 271	244 271	244 271	284 283	310 102	342 415
Community Facilities		157 268	111 692	206 062	194 675	194 675	194 675	229 073	245 487	260 867
Sport and Recreation Facilities		-	-	-	-	-	-	-	8 004	17 294
Community Assets		157 268	111 692	206 062	194 675	194 675	194 675	229 073	253 491	278 161
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		21 534	21 534	21 534	21 534	21 534	21 534	21 534	21 534	21 534
Other Assets		21 534	21 534	21 534	21 534	21 534	21 534	21 534	21 534	21 534
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		436	275	421	482	644	644	644	644	644
Intangible Assets		436	275	421	482	644	644	644	644	644
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		26 301	12 220	28 146	54 309	54 309	54 309	54 750	55 745	56 045
Machinery and Equipment		-	-	-	-	-	-	3 255	5 985	8 465
Transport Assets		-	-	-	-	-	-	5 750	7 750	9 750
Libraries		-	-	-	-	-	-	800	900	900
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	469 688	496 886	515 408	509 271	515 433	515 433	600 089	656 151	717 914
EXPENDITURE OTHER ITEMS										
Depreciation	7	28 113	17 854	32 039	27 452	27 452	27 452	30 570	32 072	33 575
Repairs and Maintenance by Asset Class	3	6 841	7 857	14 335	19 050	19 050	19 050	23 718	23 900	25 900
Roads Infrastructure		824	873	571	2 100	2 100	2 100	3 200	2 790	2 880
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	5 224	3 000	4 000	4 000	5 000	6 000	7 000
Water Supply Infrastructure		-	-	482	1 800	1 800	1 800	1 800	1 800	1 800
Sanitation Infrastructure		2 479	2 910	3 461	1 800	800	800	1 800	1 800	1 800
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		3 303	3 782	9 738	8 700	8 700	8 700	11 800	12 390	13 480
Community Facilities		-	-	-	1 040	1 040	1 040	1 800	1 560	1 620
Sport and Recreation Facilities		-	-	-	-	-	-	1 070	1 100	1 200
Community Assets		-	-	-	1 040	1 040	1 040	2 870	2 660	2 820
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		992	1 981	1 769	3 810	3 810	3 810	2 000	2 500	3 000
Housing		-	-	-	-	-	-	-	-	-
Other Assets		992	1 981	1 769	3 810	3 810	3 810	2 000	2 500	3 000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-

Table 16

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. Strategy – the more the municipality gives away, the less there is available to fund other services. Currently, the 'free services' represent about 5% of total operating revenue.

NW394 Greater Taung - Table A10 Basic service delivery measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)		-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)		-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)		-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	-	-	-	-	-	-
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA										
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	-	-	-	-	-	-	-	-	-

PART 2: SUPPORTING DOCUMENTATION

2.1 Overview of the annual budget process

Section 21 – Budget Preparation Process

- The schedule of key deadlines (IDP/PMS & Budget process Plan) was tabled and published in August 2017
- Community Ward based planning meeting took place between September 2017 towards the beginning of December 2017
- The 2018/19 Draft Budget was tabled together with the review of the IDP in council on the 28 March 2018
- The Draft 2018/19 – 2020/21 IDP was also tabled in council on 28 March 2018 and consultative meetings were scheduled to follow during the month of May 2018
- The municipality has had consultation meetings with external Government sectors in terms of their budget allocation on 15 March 2018
- The public participation meetings were held during May 2018.
- The final budget was tabled and approved in council by 31 May 2018.

2.2 Overview of Funding the Budget

Cash flow indicates a surplus of R141 180 507 therefor Greater Taung Local Municipality is fully compliant Sec 18 of MFMA.

Furthermore Table A8 on page 22 reflected a surplus over the MTREF after taking into account all commitments as indicated.

Monthly targets for Revenue as indicated as Annexure table SA26 on page 34.

Table 17

NW394 Greater Taung Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	102 752	116 038	161 945	141 181	141 181	141 181	213 191	172 788	115 819	54 790
Cash + investments at the yr end less applications - R'000	18(1)b	2	75 434	118 791	147 989	205 223	202 335	244 483	241 789	225 442	227 109	229 280
Cash year end/monthly employee/supplier payments	18(1)b	3	10.5	11.3	13.1	9.5	9.6	9.6	14.4	11.2	7.1	3.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	53 400	82 008	57 933	47 956	53 957	53 957	53 957	33 367	34 371	39 398
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(9.4%)	47.7%	13.3%	4.9%	(6.0%)	(6.0%)	(0.9%)	(4.2%)	(4.1%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	113.6%	78.4%	58.9%	69.5%	63.1%	63.1%	85.4%	64.5%	67.2%	70.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	26.2%	(31.7%)	9.3%	19.4%	6.5%	6.5%	6.5%	6.2%	6.1%	6.0%
Capital payments % of capital expenditure	18(1)c:19	8	101.3%	46.8%	48.2%	100.1%	92.6%	92.6%	42.3%	23.2%	21.0%	20.1%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	76.1%	30.8%	(15.8%)	0.0%	0.0%	48.4%	39.8%	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.5%	1.7%	2.9%	3.2%	3.2%	3.2%	4.0%	2.2%	2.2%	2.4%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2.3 Disclosure on Salaries, Allowance and Benefits (SA22)

Supporting table is attached in respect of disclosure of salaries, allowances and benefits.

Councillors

On a yearly basis the Minister of Local Provincial Government set the upper limit on determination of councillor's allowances. The provision made on the 2018/2019 financial year is adequate for allowances and salaries for councillors. Cost of living (inflation) annual increase has been set at 5%. The payment of allowances to councillors for 2018/2019 will be made using the upper limit gazette available during payment of such allowances. Total budget for 2018/2019 for Councillors are R19 347 000.

Senior Officials

The total budget for 2017/2018 senior officials employed in terms of sections 56 and 57 of Municipal System Act equals R7 837 400.

Other Municipal Staff

The total budget for other Municipal staff on 2017/2018 equals R87 715 800.

Table 18

NW394 Greater Taung - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Councillors (Political Office Bearers plus Other)	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		15 294	14 408	12 136	17 261	17 261	17 261	17 045	18 408	19 881
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance										
Cellphone Allowance			1 245	1 238	2 131	2 131	2 131	2 302	2 383	2 437
Housing Allowances										
Other benefits and allowances				4 318						
Sub Total - Councillors		15 294	15 653	17 692	19 392	19 392	19 392	19 347	20 791	22 318
% increase	4		2.3%	13.0%	9.6%	-	-	(0.2%)	7.5%	7.3%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3 665	3 655	2 032	2 032	2 032	2 032	7 837	8 464	9 141
Pension and UIF Contributions		9	7	4	4	4	4			
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3	593	510	510	420	420	420			
Cellphone Allowance	3	48	40	23	23	23	23	672	680	686
Housing Allowances	3									
Other benefits and allowances	3	494	229	136	282	282	282			
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		4 809	4 441	2 705	2 761	2 761	2 761	8 509	9 144	9 827
% increase	4		(7.7%)	(39.1%)	2.1%	-	-	208.2%	7.5%	7.5%
Other Municipal Staff										
Basic Salaries and Wages		34 099	41 973	45 125	54 704	54 704	54 704	57 465	60 117	64 938
Pension and UIF Contributions		6 469	7 581	7 846	10 769	10 769	10 769	12 240	12 240	13 188
Medical Aid Contributions		2 733	3 162	3 448	3 932	3 932	3 932	3 932	4 484	4 732
Overtime		-	-	-	500	500	500	500	756	816
Performance Bonus		2 485	3 209	3 330	4 794	4 794	4 794	4 794	4 732	5 010
Motor Vehicle Allowance	3	2 657	3 609	3 541	4 550	4 550	4 550	4 550	4 390	4 535
Cellphone Allowance	3	1 243	419	343	890	890	890	890	437	446
Housing Allowances	3	58	586	583	673	673	673	673	719	737
Other benefits and allowances	3	1 161	1 438	1 825	853	853	853	853	1 846	2 016
Payments in lieu of leave		555	5 179	4 211	3 035	3 035	3 035	3 035	3 884	4 187
Long service awards		-	-	-				-	-	-
Post-retirement benefit obligations	6	-	-	-				-	-	-
Sub Total - Other Municipal Staff		51 460	67 157	70 251	84 700	84 700	84 700	87 461	93 604	100 606
% increase	4		30.5%	4.6%	20.6%	-	-	3.3%	7.0%	7.5%
Total Parent Municipality		71 563	87 250	90 648	106 853	106 853	106 853	115 317	123 540	132 751
			21.9%	3.9%	17.9%	-	-	7.9%	7.1%	7.5%
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										

2.4 Monthly Targets for Revenue, Expenditure and Cash Flow (SA25-30)

Annexure is attached that present the monthly projection on cash inflow and outflow. No bridging overdraft will be required. Although anticipated collection of revenue fluctuates seasonally, it will not require the Municipality to take a bank overdraft.

Table 19

NW394 Greater Taung - Supporting Table SA25 Budgeted monthly revenue and expenditure

Budget Year 2018/19														Medium Term Revenue and Expenditure Framework			
Description		Ref	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																	
Revenue By Source																	
	Property rates		38 500	-	-	-	-	-	-	-	-	-	-	-	38 500	39 000	39 500
	Service charges - electricity revenue		293	293	293	293	293	293	293	293	293	293	293	293	3 518	3 518	3 568
	Service charges - water revenue		70	70	70	70	70	70	70	70	70	70	70	70	842	892	946
	Service charges - sanitation revenue		170	170	170	170	170	170	170	170	170	170	170	170	2 043	2 165	2 295
	Service charges - refuse revenue		274	274	274	274	274	274	274	274	274	274	274	274	3 285	3 482	3 691
	Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rental of facilities and equipment		50	50	50	50	50	50	50	50	50	50	50	50	596	596	596
	Interest earned - external investments		958	958	958	958	958	958	958	958	958	958	958	958	11 500	12 000	12 500
	Interest earned - outstanding debtors		560	560	560	560	560	560	560	560	560	560	560	560	6 714	6 782	6 804
	Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transfers and subsidies		73 505	252	-	620	-	53 977	-	-	54 066	-	-	-	182 420	196 143	209 388
	Other revenue		177	177	177	177	177	177	177	177	177	177	177	177	2 129	2 235	1 746
	Gains on disposal of PPE		-	-	200	-	-	-	-	200	-	-	-	-	400	400	400
Total Revenue (excluding capital transfers and contributions)			114 557	2 804	2 552	3 372	2 552	56 529	2 552	2 752	56 619	2 552	2 552	2 552	251 947	267 213	281 434
Expenditure By Type																	
	Employee related costs		7 963	7 963	7 963	7 963	7 963	7 963	7 963	7 963	7 963	7 963	7 963	7 963	95 554	102 864	111 073
	Remuneration of councillors		1 612	1 612	1 612	1 612	1 612	1 612	1 612	1 612	1 612	1 612	1 612	1 612	19 347	20 791	22 318
	Debt impairment		-	-	-	1 800	-	-	-	-	1 200	-	-	-	3 000	3 000	3 000
	Depreciation & asset impairment		-	-	-	-	-	-	-	-	-	-	-	30 570	30 570	32 072	
	Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bulk purchases		341	341	341	341	341	341	341	341	341	341	341	341	4 092	4 378	4 685
	Other materials		1 977	1 977	1 977	1 977	1 977	1 977	1 977	1 977	1 977	1 977	1 977	1 977	23 718	23 900	25 900
	Contracted services		1 813	1 813	1 813	1 813	1 813	1 813	1 813	1 813	1 813	1 813	1 813	1 813	21 757	22 349	22 461
	Transfers and subsidies		1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 100	1 099	13 194	13 033	13 741
	Other expenditure		4 374	4 374	4 374	4 374	4 374	4 374	4 374	4 374	4 374	4 374	4 374	4 374	52 491	56 578	53 850
	Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure			19 179	19 179	19 179	20 979	19 179	19 179	19 179	19 179	20 379	19 179	19 179	49 748	263 722	278 966	290 603
Surplus/(Deficit)			95 378	(16 375)	(16 627)	(17 607)	(16 627)	37 350	(16 627)	(16 427)	36 239	(16 627)	(16 627)	(47 196)	(11 775)	(11 753)	(9 169)
	Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		13 302	-	-	800	-	13 302	-	-	17 737	-	-	-	45 141	46 124	48 567
	Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			108 680	(16 375)	(16 627)	(16 807)	(16 627)	50 652	(16 627)	(16 427)	53 976	(16 627)	(16 627)	(47 196)	33 367	34 371	39 398
	Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)			108 680	(16 375)	(16 627)	(16 807)	(16 627)	50 652	(16 627)	(16 427)	53 976	(16 627)	(16 627)	(47 196)	33 367	34 371	39 398

Table 20

NW394 Greater Taung - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description		Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote																	
Vote 1 - Community and Social Services		174	174	174	174	174	174	174	174	174	174	174	174	174	2 086	2 188	2 190
Vote 2 - Energy Sources		295	295	295	295	295	295	295	295	295	295	295	295	295	3 538	3 538	3 588
Vote 3 - Executive and Council		14 710	14 710	14 710	14 710	14 710	14 710	14 710	14 710	14 710	14 710	14 710	14 710	14 710	176 523	190 905	203 092
Vote 4 - Finance and Administration		5 120	5 120	5 120	5 120	5 120	5 120	5 120	5 120	5 120	5 120	5 120	5 120	5 120	61 444	61 911	63 371
Vote 5 - Planning and Development		51	51	51	51	51	51	51	51	51	51	51	51	51	612	612	612
Vote 6 - Road Transport		3 890	3 890	3 890	3 890	3 890	3 890	3 890	3 890	3 890	3 890	3 890	3 890	3 890	46 675	47 604	50 176
Vote 7 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Waste Management		275	275	275	275	275	275	275	275	275	275	275	275	275	3 305	3 502	3 711
Vote 9 - Waste Water Management		172	172	172	172	172	172	172	172	172	172	172	172	172	2 063	2 185	2 315
Vote 10 - Water Management		70	70	70	70	70	70	70	70	70	70	70	70	70	842	892	946
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		24 757	24 757	24 757	24 757	24 757	24 757	24 757	24 757	24 757	24 757	24 757	24 757	24 757	297 088	313 337	330 001
Expenditure by Vote to be appropriated																	
Vote 1 - Community and Social Services		1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	12 898	11 190	12 630
Vote 2 - Energy Sources		1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	21 958	23 938	25 488
Vote 3 - Executive and Council		5 880	5 880	5 880	5 880	5 880	5 880	5 880	5 880	5 880	5 880	5 880	5 880	5 880	70 560	74 707	78 356
Vote 4 - Finance and Administration		8 309	8 309	8 309	8 309	8 309	8 309	8 309	8 309	8 309	8 309	8 309	8 309	8 309	99 708	107 599	108 600
Vote 5 - Planning and Development		613	613	613	613	613	613	613	613	613	613	613	613	612	7 355	7 834	8 352
Vote 6 - Road Transport		1 356	1 356	1 356	1 356	1 356	1 356	1 356	1 356	1 356	1 356	1 356	1 356	1 356	16 273	16 802	17 915
Vote 7 - Sports and Recreation		728	728	728	728	728	728	728	728	728	728	728	728	728	8 730	8 982	9 587
Vote 8 - Waste Management		1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	14 321	15 459	16 694
Vote 9 - Waste Water Management		747	747	747	747	747	747	747	747	747	747	747	747	748	8 969	9 436	9 948
Vote 10 - Water Management		246	246	246	246	246	246	246	246	246	246	246	246	246	2 950	3 019	3 032
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		21 977	21 977	21 977	21 977	21 977	21 977	21 977	21 977	21 977	21 977	21 977	21 977	21 976	263 722	278 966	290 603
Surplus/(Deficit) before assoc.		2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 780	2 781	33 367	34 371	39 398
Taxation															-	-	-
Attributable to minorities															-	-	-
Share of surplus/ (deficit) of associate															-	-	-
Surplus/(Deficit)	1	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 780	2 781	33 367	34 371	39 398

Table 21

NW394 Greater Taung - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional																
Governance and administration		19 831	19 831	19 831	19 831	19 831	19 831	19 831	19 831	19 831	19 831	19 831	19 831	237 967	252 816	266 463
Executive and council		14 710	14 710	14 710	14 710	14 710	14 710	14 710	14 710	14 710	14 710	14 710	14 710	176 523	190 905	203 092
Finance and administration		5 120	5 120	5 120	5 120	5 120	5 120	5 120	5 120	5 120	5 120	5 120	5 120	61 444	61 911	63 371
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		174	174	174	174	174	174	174	174	174	174	174	174	2 086	2 188	2 190
Community and social services		174	174	174	174	174	174	174	174	174	174	174	174	2 086	2 188	2 190
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		3 941	3 941	3 941	3 941	3 941	3 941	3 941	3 941	3 941	3 941	3 941	3 941	47 287	48 216	50 788
Planning and development		51	51	51	51	51	51	51	51	51	51	51	51	612	612	612
Road transport		3 890	3 890	3 890	3 890	3 890	3 890	3 890	3 890	3 890	3 890	3 890	3 890	46 675	47 604	50 176
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		812	812	812	812	812	812	812	812	812	812	812	812	9 748	10 117	10 560
Energy sources		295	295	295	295	295	295	295	295	295	295	295	295	3 538	3 538	3 588
Water management		70	70	70	70	70	70	70	70	70	70	70	70	842	892	946
Waste water management		172	172	172	172	172	172	172	172	172	172	172	172	2 063	2 185	2 315
Waste management		275	275	275	275	275	275	275	275	275	275	275	275	3 305	3 502	3 711
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional		24 757	24 757	24 757	24 757	24 757	24 757	24 757	24 757	24 757	24 757	24 757	24 757	297 088	313 337	330 001
Expenditure - Functional																
Governance and administration		14 189	14 189	14 189	14 189	14 189	14 189	14 189	14 189	14 189	14 189	14 189	14 189	170 268	182 306	186 956
Executive and council		5 880	5 880	5 880	5 880	5 880	5 880	5 880	5 880	5 880	5 880	5 880	5 880	70 560	74 707	78 356
Finance and administration		8 309	8 309	8 309	8 309	8 309	8 309	8 309	8 309	8 309	8 309	8 309	8 309	99 708	107 599	108 600
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	21 628	20 172	22 217
Community and social services		1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	12 898	11 190	12 630
Sport and recreation		728	728	728	728	728	728	728	728	728	728	728	728	8 730	8 982	9 587
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		1 969	1 969	1 969	1 969	1 969	1 969	1 969	1 969	1 969	1 969	1 969	1 968	23 627	24 636	26 268
Planning and development		613	613	613	613	613	613	613	613	613	613	613	612	7 355	7 834	8 352
Road transport		1 356	1 356	1 356	1 356	1 356	1 356	1 356	1 356	1 356	1 356	1 356	1 356	16 273	16 802	17 915
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		4 016	4 016	4 016	4 016	4 016	4 016	4 016	4 016	4 016	4 016	4 016	4 017	48 198	51 852	55 162
Energy sources		1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	1 830	21 958	23 938	25 488
Water management		246	246	246	246	246	246	246	246	246	246	246	246	2 950	3 019	3 032
Waste water management		747	747	747	747	747	747	747	747	747	747	747	748	8 969	9 436	9 948
Waste management		1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	14 321	15 459	16 694
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional		21 977	21 977	21 977	21 977	21 977	21 977	21 977	21 977	21 977	21 977	21 977	21 976	263 722	278 966	290 603
Surplus/(Deficit) before assoc.		2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	33 367	34 371	39 398
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	2 781	33 367	34 371	39 398

Table 22

NW394 Greater Taung - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Multi-year expenditure to be appropriated	1															
Vote 1 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Finance and Administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Road Transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Waste Managemnt		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Water Managemnt		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Community and Social Services		1 285	1 285	1 285	1 285	1 285	1 285	1 285	1 285	1 285	1 285	1 285	1 285	15 425	14 445	13 445
Vote 2 - Energy Sources		815	815	815	815	815	815	815	815	815	815	815	815	9 780	9 100	10 600
Vote 3 - Executive and Council		252	252	252	252	252	252	252	252	252	252	252	252	3 029	2 620	2 749
Vote 4 - Finance and Administration		51	51	51	51	51	51	51	51	51	51	51	51	610	160	160
Vote 5 - Planning and Development		2	2	2	2	2	2	2	2	2	2	2	2	20	-	-
Vote 6 - Road Transport		1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	15 324	17 133	23 448
Vote 7 - Sports and Recreation		742	742	742	742	742	742	742	742	742	742	742	742	8 904	9 790	5 790
Vote 8 - Waste Managemnt		364	364	364	364	364	364	364	364	364	364	364	364	4 370	4 500	4 000
Vote 9 - Waste Water Management		108	108	108	108	108	108	108	108	108	108	108	108	1 300	600	600
Vote 10 - Water Managemnt		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 896	58 761	58 349	60 792
Total Capital Expenditure	2	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 896	58 761	58 349	60 792

Table 23

NW394 Greater Taung - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		303	303	303	303	303	303	303	303	303	303	303	303	3 639	2 780	2 909
Executive and council		252	252	252	252	252	252	252	252	252	252	252	252	3 029	2 620	2 749
Finance and administration		51	51	51	51	51	51	51	51	51	51	51	51	610	160	160
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2 027	2 027	2 027	2 027	2 027	2 027	2 027	2 027	2 027	2 027	2 027	2 027	24 329	24 235	19 235
Community and social services		1 936	1 936	1 936	1 936	1 936	1 936	1 936	1 936	1 936	1 936	1 936	1 936	23 229	14 445	13 445
Sport and recreation		92	92	92	92	92	92	92	92	92	92	92	92	1 100	9 790	5 790
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 279	1 279	1 279	1 279	1 279	1 279	1 279	1 279	1 279	1 279	1 279	1 278	15 344	17 133	23 448
Planning and development		2	2	2	2	2	2	2	2	2	2	2	2	20	-	-
Road transport		1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	15 324	17 133	23 448
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1 287	1 287	1 287	1 287	1 287	1 287	1 287	1 287	1 287	1 287	1 287	1 288	15 450	14 200	15 200
Energy sources		815	815	815	815	815	815	815	815	815	815	815	815	9 780	9 100	10 600
Water management		50	50	50	50	50	50	50	50	50	50	50	50	600	600	600
Waste water management		58	58	58	58	58	58	58	58	58	58	58	58	700	-	-
Waste management		364	364	364	364	364	364	364	364	364	364	364	364	4 370	4 500	4 000
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 896	58 761	58 349	60 792
Funded by:																
National Government		3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	3 695	44 341	45 224	47 667
Provincial Government		67	67	67	67	67	67	67	67	67	67	67	67	800	900	900
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		3 762	3 762	3 762	3 762	3 762	3 762	3 762	3 762	3 762	3 762	3 762	3 762	45 141	46 124	48 567
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	13 620	12 225	12 225
Total Capital Funding		4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	4 897	58 761	58 349	60 792

Table 24

NW394 Greater Taung - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand															
Cash Receipts By Source													1		
Property rates	2 246	2 246	2 246	2 246	2 246	2 246	2 246	2 246	2 246	2 246	2 246	2 246	26 950	28 567	30 281
Service charges - electricity revenue	205	205	205	205	205	205	205	205	205	205	205	205	2 463	2 610	2 767
Service charges - water revenue	49	49	49	49	49	49	49	49	49	49	49	49	589	625	662
Service charges - sanitation revenue	119	119	119	119	119	119	119	119	119	119	119	119	1 430	1 516	1 607
Service charges - refuse revenue	192	192	192	192	192	192	192	192	192	192	192	192	2 300	2 437	2 584
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	25	25	25	25	25	25	25	25	25	25	25	25	298	316	335
Interest earned - external investments	958	958	958	958	958	958	958	958	958	958	958	958	11 500	12 000	12 500
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	73 505	252	-	620	-	53 977	-	-	54 066	-	-	-	182 420	196 143	209 388
Other revenue	262	262	262	262	262	262	262	262	262	262	262	262	3 139	3 327	3 527
Cash Receipts by Source	77 560	4 307	4 056	4 676	4 056	58 033	4 056	4 056	58 122	4 056	4 056	4 056	231 088	247 542	263 650
Other Cash Flows by Source															
Transfer receipts - capital	13 302	-	-	800	-	13 302	-	-	17 737	-	-	-	45 141	46 124	48 567
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	90 863	4 307	4 056	5 476	4 056	71 335	4 056	4 056	75 859	4 056	4 056	4 056	276 230	293 666	312 218
Cash Payments by Type															
Employee related costs	7 963	7 963	7 963	7 963	7 963	7 963	7 963	7 963	7 963	7 963	7 963	7 963	95 554	102 864	111 073
Remuneration of councillors	1 612	1 612	1 612	1 612	1 612	1 612	1 612	1 612	1 612	1 612	1 612	1 612	19 347	20 791	22 318
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	307	307	307	307	307	307	307	307	307	307	307	307	3 683	3 904	4 138
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	1 384	1 384	1 384	1 384	1 384	1 384	1 384	1 384	1 384	1 384	1 384	1 384	16 603	17 599	18 655
Contracted services	1 450	1 450	1 450	1 450	1 450	1 450	1 450	1 450	1 450	1 450	1 450	1 450	17 406	18 450	19 557
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	12 611	12 611	12 611	12 611	12 611	12 611	12 611	12 611	12 611	12 611	12 611	12 611	151 334	160 414	170 039
Other expenditure	990	990	990	990	990	990	990	990	990	990	990	990	11 875	12 587	13 342
Cash Payments by Type	26 317	26 317	26 317	26 317	26 317	26 317	26 317	26 317	26 317	26 317	26 317	26 317	315 800	336 609	359 122
Other Cash Flows/Payments by Type															
Capital assets	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	1 135	13 620	12 225	12 225
Repayment of borrowing	142	142	142	142	142	142	142	142	142	142	142	142	1 700	1 800	1 900
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	27 593	27 593	27 593	27 593	27 593	27 593	27 593	27 593	27 593	27 593	27 593	27 593	331 120	350 634	373 247
NET INCREASE/(DECREASE) IN CASH HELD	63 269	(23 286)	(23 538)	(22 118)	(23 538)	43 742	(23 538)	(23 538)	48 265	(23 538)	(23 538)	(23 538)	(54 891)	(56 969)	(61 030)
Cash/cash equivalents at the month/year begin:	227 678	290 948	267 662	244 124	222 007	198 469	242 211	218 673	195 136	243 401	219 863	196 326	227 678	172 788	115 819
Cash/cash equivalents at the month/year end:	290 948	267 662	244 124	222 007	198 469	242 211	218 673	195 136	243 401	219 863	196 326	172 788	172 788	115 819	54 790

2.5 Measurable performance objectives.

A detailed service delivery and budget implementation plan on the IDP which is to be approved by the Mayor shows the measurable performance objectives and annual target that each directorate should achieve and become part of the performance agreement for all sections of employees.

2.6 Overview of Budget Related Policies

The following policies were workshopped and introduced to the newly elected councilors of Greater Taung Local Municipality on 17 May 2017 and adopted by Council on 31 May 2017. Policies will be workshopped on 18-19 April 2018 again.

Credit Control and Debt Collection Policy

This adopted policy is credible, sustainable, manageable and informed by affordability and value for money and there was no need to review the policy. New Indigent threshold is published in the Tariff Schedule which equals to 2 state pensions.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, regular Indigent Register Campaigns will be arranged throughout the year.

The 2018/19 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 70% on current billings.

Asset Management Policy

The objectives of this policy of the Municipality are:

- (a) to maximise the service potential of existing assets by ensuring that they are appropriately used, maintained, safeguarded and that risks are mitigated;
- (b) to optimise the life cycle costs of owning and using these assets by seeking cost-effective options throughout an asset's life cycle;
- (c) to reduce the demand for new assets through optimal use of existing assets and management of demand through the use of non-asset service delivery options;
- (d) to establish clear lines of accountability and responsibility for performance, safe custody and use of assets within the Municipality;
- (e) to establish sound risk-based internal controls supporting all asset management practices within the Municipality.

Supply Chain Management Policy

The goal of this Policy is to provide a mechanism to ensure sound, sustainable and accountable supply chain management within the **Greater Taung Local Municipality**, whilst promoting black economic empowerment, which includes general principles for achieving the following socio-economic objectives:

- a. to stimulate and promote local economic development in a targeted and focused manner;
- b. to promote resource efficiency and greening;
- c. to facilitate creation of employment and business opportunities for the people of **Greater Taung Local Municipality**;
- d. to promote the competitiveness of local businesses;
- e. to increase the small business sector access, in general, to procurement business opportunities created by Council;
- f. to increase participation by small, medium and micro enterprises
 - i. (SMME's); and
- g. to promote joint venture partnerships.

Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. Virement is the process of transferring budgeted funds from one line item number to another, with the approval of the relevant Manager and CFO, to enable senior managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28(2)(c) MFMA).

Cash Management and Investment Policy

The objective of this policy is

1. To ensure compliance with the relevant legal and statutory requirements relating to cash management and investments.

2. To ensure that investment of surplus funds of the Municipality forms part of the financial system of the Municipality.
3. To create consistency in that the same procedure is followed in respect of each investment so as to conform to the requirements of transparency, equitability and fairness. In each case the preservation and safety of investments is a primary aim.
4. To promote and ensure the need for investment diversification of the Municipality's investment portfolio across acceptable investees permitted types of investments and investment maturities.
5. To ensure the liquidity needs of the Municipality are duly discounted and provided for.
6. To ensure timeous reporting of the investment portfolio as required by the MFMA and in accordance with the General Recognized Accounting Practices (GRAP).
7. To establish a minimum acceptable credit rating and requirements for investments including:
 - (a) a list of approved investment types that may be made, subject to the provisions of this policy; and
 - (b) a list of approved institutions where or through which investments may be made, subject to the provision of this policy.
8. To provide measures for ensuring implementation of this policy and internal control over, investment made as well as procedures for reporting on and monitoring of all investments made procedure for benchmarking and performance evaluation.
9. To provide the assignment of roles and functions, any delegation of decision-making powers including the conditions for the use of investment managers, and their liability in the event of non-compliance with the provisions of this policy.

Tariff Policies

The aim and purpose of this policy is:

- (a) to comply with the provisions of section 74 of the Systems Act and to guide and assist the Municipality to determine and levy tariffs for municipal services provided by the Municipality; and
- (b) to prescribe guidelines and procedures for calculating tariffs and the manner in which the municipality should ensure public participation regarding same, and publish the tariffs once it has been adopted by the Council.

Funding & Reserve Policy

The aim and purpose of this policy is to:

- (1) ensure that the Municipality has sufficient and cost-effective cash funding in order to achieve its objectives through the implementation of its operating and capital budgets; and
- (2) the objectives of this policy are to set out the assumptions and methodology for estimating the following:
 - (a) projected billings, collections and all direct revenues;
 - (b) the provision for revenue that will not be collected;
 - (c) the funds the Municipality can expect to receive from investments;
 - (d) the proceeds the Municipality can expect to receive from the transfer or disposal of assets;
 - (e) the Municipality's borrowing requirements; and
 - (f) the funds to be set aside in reserves.

Property Rates, Indigent Policy and other HR related policies are available on the municipal website.

2.7 Overview of Budget Assumptions

Financial Assumptions was dealt with under the heading Executive Summary on page 11. Proposed tariffs for 2018/2019 per service category are as follows:

Table 25

GREATER TAUNG LOCAL MUNICIPALITY

PROPOSED TARIFFS 2018/2019 (6.84%)

(VAT IS NOT INCLUDED)

REIVILO ELECTRICITY

	2017/2018	2018/2019
(a) Basic Levy		
E000 Indigent Registered (50 units free)	0.00	0.00
E001 Tariff per unit	0.00	0.00
E002 Household Tariff per month	86.10	91.99
E003 Availability per year (Empty sites)	226.00	241.46
E004 Three-phase & Commercial per month	235.10	251.18
E005 Medium Users	834.75	891.85
E006 KVA	150.60	160.90
(b) Units (energy)		
E000 Indigents cents per unit(50 units free)	n.a.	n.a.
E001 cents per unit (no basic – pre-paid)	See Schedule A	See Schedule A
E002 cents per unit (Households)	See Schedule B	See Schedule B
E004 per unit (Three Phase & Commercial)	1.303	1.433
E005 cents per unit (Commercial Med users)	83.430	91.773
E007 cents per unit Indigent Pre-paid (50 units free)	See Schedule A	See Schedule A
E008 per unit (Business Pre-paid)	1.303	1.433
E009 Departmental Usage (Commercial)	1.303	1.433
E010 Taung Taxi Tank Pre Pay	1.303	1.433
Consumer Deposit (no deposit with pre pay)	500.00	500.00
Business Deposit (or according to usage if>)	1000.00	1000.00
RECONNECTION FEE	250.00	250.00
TEST METER (refundable if proven incorrect)	300.00	300.00
Tampering fee – See Miscellaneous tariffs		

2017/2018 Tariffs

Domestic Block 1 0 – 50 kWh	Domestic Block 2 51-350 kWh	Domestic Block 3 351 – 600 kWh	Domestic Block 4 >600 kWh
A - 00.8558	1.0320	1.4235	1.6387
B - 00.8558	1.0770	1.4887	1.8029

2018/2019 Tariffs

Domestic Block 1 0 – 50 kWh	Domestic Block 2 51-350 kWh	Domestic Block 3 351 – 600 kWh	Domestic Block 4 >600 kWh
A - 00.9143	1.1026	1.5373	1.7698
B - 00.9143	1.1506	1.5905	1.9262

PREPAID CREDIT CONTROL – 80 % to be allocated to arrears, if any, with each purchase of electricity and water

REIVILO WATER & PRE PAY (Excl VAT) (6%)**2017/2018****2018/2019**

6 kl (only households)	Free	Free
6 kl Businesses	3.80	4.03
Till 39 kl (33)	3.80	4.03
Till 79 kl (40)	5.15	5.46
Till 119 kl (40)	6.40	6.80
120+ kl	7.60	8.20
Community Centres & Schools		
100 kl	1.55	1.64
100+ kl	3.25	3.45
Portable Water per 10 kl water tank	79.40	84.20
Reconnections	100.00	100.00
Water connections performed by Municipality	R100.00	R100.00

REFUSE REMOVAL (Excl VAT) (6%)**REIVILO/PUDUMOE/TAUNG****2017/2018****2018/2019**

Consumer Deposit	R0	R0
Indigent Household	1 Free Load	1 Free Load
Household (flats extra if on one site)	48.05	50.93
Building rubbles removal	217.50	230.55
Additional Refuse for businesses per month	48.05	50.93
Hospital / Clinic Refuse per point per month	115.74	122.68
Schools, Hostel per month & other big dept /point	48.05	50.93
Clinic Refuse (including rural)within 10km radius	115.74	122.68
- outside 10km radius	115.74+R10/km	122.68+R10/km

SEWERAGE & DRAINAGE (Excl VAT) (6%)**REIVILO/PUDIMOE/TAUNG****2017/2018****2018/2019**

Consumer Deposit	R0	R0
Indigent Household	1 Free Load	1 Free Load
Household per month on system	46.05	48.81
Septic tank per 4,5 kl per load	46.05	48.81
Taung & Pudimoe per load of 5 kl (septic tank)	113.45	120.26
School, Hostels & Hospitals & Big Inst connected line pp	1105.25	1171.57
Sewerage (septic tank) outside service boundary + km charge	113.45	120.26
Sewer Connection (new)	R300.00	R300.00
Residential Blockage PER HOUR	R160.00	R170.00
Commercial Blockage PER HOUR	R160.00	R170.00
- Outside 10km radius – Taung, Pudimoe & Reivilo	R113.45	R120.26
	R10.00/km	R10.00/km

GREATER TAUNG LOCAL MUNICIPALITY

NOTICE OF GENERAL RATE OR RATES AND OR FIXED DAY FOR PAYMENT IN RESPECT OF THE FINANCIAL YEAR 1 JULY 2018 TO 30 JUNE 2019

Notice is hereby given in terms of Sections 7, 8, 9 & 10 of the Local Government Municipal Property Rates Act, 2004 (Act 6 of 2004), that the following rates shall be levied in respect of the above mentioned financial year on ratable properties recorded in the valuation roll for all properties situated within the area of jurisdiction of Greater Taung Municipality (North West Province).

Tariffs are applicable to the term of the Valuation Roll

DISCRIPTION/CATEGORY	2017/2018	2018/2019
Residential	R0.01560	R0.01560
Residential (undeveloped)	R0.01560	R0.01560
Business & Industrial	R0.01560	R0.01560
Government Properties	R0.024070	R0.01560
Agriculture	R0.003120	R0.003120

The amount due for rates as contemplated in terms of Section 11 (Property Rates Act No.6, 2004) shall be payable before the due date in eleven (11) equal installments from the fixed day, which is 1 July. Due date for annual payments will be 30 September of each year. Interest will be levied from 1 October according to approved tariffs.

SCHEDULE A OF REBATES ON PROPERTY RATES

Category/Description	Proposed rebate	Council's rebate
Impermissible Rebate	R80,000	R80,000
State Properties	0%	0%
Residential Properties Developed	20%	20%
Indigent Owner –	50 %	50%
Farm owner - Land used for farming – not business	85 %	85%
<u>Retired and disabled person on residential properties only :</u>		
➤ Owner with income less than R 2 500 per month	50%	50%
➤ Owner with income between R 2 501 and R 3 500	20%	20%
➤ Owner with income between R 3 501 and R 5 000	10%	10%

2.8 Overview of Alignment of Annual Budget with IDP

Greater Taung Local Municipality has adopted the Turn around Strategy approach to inform both the IDP and resource allocation (budget process). Integrated Development Plan is the principal strategic planning tool that guides and informs all planning, development and decision-making in the municipality. Poverty eradication and job creation are critical ingredients of sustainable economic development. The integrated development plan has a number of clear objectives and intended impacts such as consultative processes, strategic process and implementation-oriented processes. The primary objective of the IDP is to accelerate service delivery by providing a framework for economic and social development.

Greater Taung Local Municipality's development plan needs are aligned with National and Provincial initiatives to ensure optimal impact from the combined efforts of government. In this regard there are five critical elements: Accelerated and Shared Growth-South Africa (ASGI-SA), National Spatial Development Perspective (NSDP), National Strategy for Sustainable Development (NSSD), Provincial Growth and Development Strategy (PGDS) and Provincial Spatial Development Framework (PSDF). All these feed into and influence the Integrated Development Plan.

Municipal Transformation and Organizational Development

This key performance area focuses on the availability and implementation of programmes that transform the municipality to cope with the ongoing and ever-changing community needs as well as being a learning organization. Institutional transformation is necessary condition to achieve the strategic objectives of the developmental governance. The key performance indicators under this key performance area as follows:

- Organizational design (Organogram that is linked to the organizational strategy)
- Employment Equity issues.
- Skills Development (Institutional Skills Development)
- Integrated Development Planning (Integration of strategic frameworks)
- Performance Management System
- Administrative and institutional Systems and structures

Infrastructure Development and Services Delivery

The delivery of basic services and provision of infrastructure is the most important element of poverty eradication. The council noted the fact that the provisions of economic and social infrastructure to communities facilitate the local economic development. This key performance area focus on services rendered directly to the communities, such as water, sanitation, electricity, solid waste management, environmental management, roads, housing and community facilities. The council has resolved to accelerate the provision of these services, especially water, sanitation and electricity through a three-year budgeting cycle.

Local Economic Development

This key performance area focuses on the measure that the municipality will apply to promote the local economy. The measures such as how to implement the supply chain management in terms of SMME development, Broad Based Black Economic Empowerment, Poverty alleviation initiatives and job creation initiatives. It further puts emphasis on the attraction and retention of investment, SMME support, provision of basic needs, skills development and the implementation of the affirmative procurement framework and labour intensive program.

We have identified competitive advantages to bolster "logistic hub initiative". These include implementation of the inner urban renewal program, initiating of the regional shopping centre, the regional transport hub and agro-processing, mineral beneficiation centre and the international convention centre. We are implementing Extended Public Works Program to facilitate economic growth, skills development and acceleration of infrastructure investment.

Municipal Finance Viability and Management

Council has adopted sustainability as one of the key performance areas. This key performance area puts emphasis on the interconnection between the institutional, social, environmental and financial arrangement of the implementation of any program and project in the municipality. Sustainability in

terms of the above-mentioned aspects informs the action plans of the municipality to ensure the provision and maintenance of sustainable infrastructure to communities.

Good Governance and Public Participation

It focuses primarily on the development and implementation of the systems and procedures that will ensure that the municipality promotes good governance and public participation in terms of the constitutional mandate. The core objective of this key performance area is to mobilize and empower local communities to take control of the process of social transformation. The most key performance indicators under this key performance area are as follows:

- Availability of communication strategy
- Citizen/customer satisfaction survey
- Service delivery improvement program
- Functional Ward Committee System
- Council System
- Corporate Governance (Audit Committee, Performance Audit Committee, Anti-Corruption Strategy and Policy)
- Internal Audit

The core objective of this Key Performance Area is to ensure that we meet the needs of today without diminishing the capacity of future generations to meet theirs. Sustainable development implies a broad view of human welfare, a long-term perspective about the consequences of today's activities, and global co-operation to reach viable solutions. It is within this context that the Council has resolved to adopt best practices in all sectors to inform all development activities for sustainable development.

Core functions and Services provided

Section 152 of the **Constitution of the Republic of South Africa** – Act 108 of 1996 summarises the objects of Local Government as follows:

- a. To provide democratic and accountable government to local communities;
- b. To ensure the provision of services to communities in a sustainable manner;
- c. To promote social and economic development;
- d. To promote a safe and healthy environment; and
- e. To encourage the involvement of communities and community organisations in the matters of Local Government.

Development Duties of Municipalities:

A Municipality **must**:

- a. Structure and manage its administration and budgeting and planning processes to give priority to basic needs of the community and to promote the social and economic development of the community and;
- b. Participate in national and provincial development programmes.

In order to give effect to the above-mentioned, Council has determined five (5)

Key Performance Areas namely:

1. Municipal Transformation and Organisational Development
2. Infrastructure Development and Services Delivery
3. Promotion of Local Economic Development
4. Municipal Finance Viability and Management
5. Good Governance and Public Participation

2.9 Reconciliation between of transfers, grant receipts and unspent (SA20)

Greater Taung Local Municipality had no unspent portion of grant receipts during the 2016/2017 financial year. Therefor the following Table (SA20) has no figures.

NW394 Greater Taung - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

2.10 Capital Expenditure Details (SA 36 & 34b)

Table 26

The following table indicate the Capital Expenditure budgeted for all Capital Expenditure, which included National and Provincial Grants as well as Own Generated funds.

NW394 Greater Taung - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project Information	
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
R thousand	4			2	6	3	3	5								
Parent municipality: List all capital projects grouped by Municipal Vote																
NW394 MIG LED																
		LED Projects							2 334			2 334				New
		Lukabeng Community Hall Ward 8				Community Facilities	Halls		1 000			1 000			Ward 8	New
		Qhoo Community Hall Ward 1				Community Facilities	Halls		1 000			1 000			Ward 1	New
		Tlhapeng Community Hall Ward 23				Community Facilities	Halls		1 000			1 000			Ward 23	New
		Hghmast Lights Various Wards				Electrical Infrastructure	LV Networks		330			330			Various	New
		Muthako Access Road Ward 5				Roads Infrastructure	Roads		410			410			Ward 5	New
		Community Facility Seking Ward 21				Community Facilities	Outdoor Facilities		364			364			Ward 21	New
		Community Facility Longeng Ward 16				Community Facilities	Outdoor Facilities		364			364			Ward 16	New
		Community Facility Mokassa 1 Ward 24				Community Facilities	Outdoor Facilities		364			364			Ward 24	New
		Hghmast Lights Various Wards Phase 3				Electrical Infrastructure	LV Networks		5 850			5 850			Various	New
		Buxton Community Hall Ward 9				Community Facilities	Halls		5 040			5 040			Ward 9	New
		Kameelaps Community Hall Ward 20				Community Facilities	Halls		5 040			5 040			Ward 20	New
		Cokonyane Road Ward 6				Roads Infrastructure	Roads		10 700			10 700			Ward 6	New
		Morotele Storm water Ward 2				Storm water Infrastructure	Storm water Conveyance		3 834			3 834			Ward 2	New
		Pudmore Community Facility Ward 5				Sport and Recreation Facilities	Outdoor Facilities		3 356			3 356			Ward 5	Renewal
		Taung Community Facility Ward 8				Sport and Recreation Facilities	Outdoor Facilities		3 356			3 356			Ward 8	Renewal
Parent Capital expenditure																
Entities: List all capital projects grouped by Entity																
Entity A Water project A																
Entity B Electricity project B																
Entity Capital expenditure																
Total Capital expenditure																

Greater Taung Local Municipality is currently not budgeting for renewal of assets because new assets are rather being paid for than fixing current assets. SA34b has no figures, therefore will not be included in this document.

2.11 Annual budgets and SDBIP's – internal departments

Introduction

The purpose of this document is to present the Service Delivery and Delivery and Budget Implementation Plan (SDBIP) of the Greater Taung Local Municipality for 2017/18 Financial Year. The development, implementation, and monitoring of a Service Delivery and Delivery and Budget Implementation Plan is a requirement for of the Municipal Finance Management Act (MFMA) No 56 of 2003.

The SDBIP is a detailed one year plan of the municipality that gives effect to the IDP and budget of the municipality. The SDBIP is a management plan for implementing the IDP through the approval budget. It is an expression of the objective of the municipality, in quantifiable outcomes that will be implemented for the financial year. It includes the service delivery targets for each quarter and facilitates oversight over financial and non-financial performance of the municipality.

The 2017/18 SDBIP will not only ensure appropriate monitoring in the Execution of the municipality budget and processes involved in the allocation of budget to achieve key strategic objectives as set in the municipality's Integrated Development Plan (IDP), but will also serve as the kernel of annual performance contract for senior management and provide a foundation for the overall annual and quarterly organisational performance for the 2017/18 Financial Year.

The SDBIP also assist the Executive, Council and the community in their respective oversight responsibilities since it serves as an implementation and monitoring tool.

Greater Taung Local Municipality does not have any entity; therefore the SDBIP is only for the parent municipality.

Legislative framework

Section 1 of the MFMA defines the SDBIP as a detailed plan approved by the mayor of a municipality in terms of section 53(1) (c)(ii) for implementing the municipality's delivery of service and its annual budget and which must indicate:

- a) Projections for each month of:-
 - I. Revenue to be collected, by source and
 - II. Operational and capital expenditure by vote
- b) Service delivery targets and performance indicators for each quarter and
- c) Any other matter that may be prescribed and includes any revision of such plan by the mayor in terms of section 54(1) (c)

The MFMA requires that municipalities develop a Service Delivery and Budget Implementation Plan as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their Integrated Development Plan Strategy. In terms of section 53(1) (c)(ii) of the MFMA, the SDBIP must be approved by the mayor of a municipality within 28 days of the approval of the budget

Components of the SDBIP

- Monthly Projections of Revenue to be collected for each source
- Monthly Projections of Expenditure and Revenue for each vote
- Quarterly projections of Service Delivery targets and Performance Indicators
- Detailed capital Budget Broken Down by ward over three years

Monthly Projections of Revenue to be collected for each Source

The failure to collect its revenue as budgeted will severely impact on the municipality's ability to provide services to the community. The municipality therefore has to institute measures to achieve its monthly revenue targets for each source. These measures will enable the municipality to assess its cash flow on a monthly basis with a view to undertaking contingency plans should there be a cash flow shortage or alternatively invest surplus cash. Furthermore, the effectiveness of credit control policies and procedures can be monitored with appropriate action taken if considered necessary

Monthly Projections of Expenditure and Revenue for each Vote

The monthly projection of revenue and expenditure per vote relates to the cash paid and reconciles with the cash statement adopted with the budget. The focus under this component is a monthly projection per vote in addition to projection by source. When reviewing budget projections against actuals, it is useful to consider revenue and expenditure per vote in order to gain a more complete picture of budget projections against actuals.

Quarterly Projections of Service Delivery Targets and Performance Indicators for each vote

This component of the SDBIP requires non-financial measurable performance objectives in the form of service delivery targets and other indicators of performance. The focus is on outputs rather than inputs. Service delivery targets relate to the level and standard of service being provided to the community and include the addressing of backlogs in basic services. The approach encouraged by NT's MFMA circular No. 13 is the utilisation of scorecards to monitor service delivery.

Detailed Capital Budget over Three Years

Information detailing infrastructural projects containing project description and anticipated capital costs over three year period. A summary of capital project per the IDP will be made available on Council website.

SDBIP Cycle

The SDBIP Process comprises the following stages, which forms part of a cycle.

Planning:

During this phase the SDBIP Process plan is developed to be tabled with the IDP Process plan. SDBIP related processes e.g. Management meetings, strategic Planning working session.

Strategizing:

During this phase the IDP is reviewed and subsequent SDBIP programmes and projects for the next 5 years based on local, provincial and national issues, previous year's performance and current economic and demographic trends etc.

Tabling:

The SDBIP is tabled with the draft IDP and budget before Council. Consultation with the community and stakeholders of the IDP on the SDBIP is done through budget hearings and formal local, provincial and national inputs or responses are also considered in developing the final document.

Adoption:

The Mayor approves the SDBIP no later than 28 days after the adoption of the Municipality's budget.

Publishing:

The adopted SDBIP is made public and is published on Council's website.

Implementation, Monitoring and Reporting:

SDBIP projects are implemented and quarterly reporting takes place. Mid-year reporting is done to assess performance on the SDBIP, the document is amended, where applicable and adopted by Council.



The Budget Process

Background to the Budget Preparation Process

The budget process is an effective process that every local government must undertake to ensure Good Governance and accountability. The process outlines the current and future direction that the municipality would follow in order to meet legislative stipulations. The budget process enables the municipality to optimally involve residents and other stakeholders in the budgeting process.

In terms of Section 15 of the MFMA, a municipality may except where otherwise provided in the Act, incur expenditure only in terms of the approved budget and within the limits of the amounts appropriated for the different votes in an approved budget. The MFMA prescribes further that the Council must for each financial year approve an annual budget for the municipality before the start of that financial year. An annual budget must set out realistically anticipated revenue for the budget year from each revenue source and expenditure appropriated under the different votes of the municipality.

Greater Taung Local Municipality's Budget/ Integrated Development Plan (IDP) Review process for the 2016/17 financial year started with the development and approval in August 2015 of the

“Process Plan for the Budget Formulation and IDP Review”. The timetable provided broad timeframes for the IDP and budget preparation process. The main aim of the timetable was to ensure integration between the Integrated Development Plan and the budget towards tabling a balanced budget.

Monitoring of the Implementation of the SDBIP

Progress against the objectives/targets set out in the SDBIP will be reported on a monthly, quarterly, mid-year and annual basis as set out in the MFMA.

A series of reporting requirements are outlined in the MFMA as follows:

- Monthly budget statements (Section 71)
- Quarterly reports (Section 52)
- Mid-year budget and performance assessment (Section 72)
- Annual report (Section 121)

General

The SDBIP largely complies with legislation as well as policy guidelines issued by National Treasury it is however an evolving document and will continue to be refined to improve the content and the quality of information contained therein on a continued basis.

Top Layer SDBIP to be copied in here – not yet received

2.12 Contracts having future budgetary implications

In terms of Greater Taung Local Municipality Supply Chain Management Policy, no contracts are rewarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to Bid Committees must obtain formal financial comments from the Chief Financial Officer.

2.13 Legislation Compliance Status

Below are the legislative requirements that guide the budget preparation process:

Municipal Structures Act

The Municipal Structures Act (No. 117 of 1998) as amended, under section 44: Functions and Powers of Executive Committee, states that the Executive Committee must:

- a) Identify the needs of the Municipality.
- b) Review and evaluate those needs in order of priority.
- c) Recommend to the Municipal Council strategies, programmes and services to address priority needs through the integrated development plan and estimates of revenue and expenditure, taking into account any applicable national and provincial development plans.
- d) Recommend or determine the best methods, including partnership and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.

Legislation also requires municipalities to compile operating and capital budgets on an annual basis. The operating and capital budgets must balance (i.e. may not reflect a deficit) and must be prepared in accordance with the integrated development plan.

Municipal Finance Management Act

Section 16(2) of the Municipal Finance Management Act No. 56 of 2003, (MFMA) dealing with legislative compliance regarding the tabling of the annual budget states inter alia that:

“The Mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.”

Section 21(1) of the MFMA, which deals with the budget preparation process, stipulates that the Mayor must:

- a) Co-ordinate the processes for preparing the annual budget and for reviewing the municipality’s integrated development plan and budget-related policies to ensure that

the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.

- b) At least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for:
 - I. The preparation, tabling and approval of the annual budget.
 - II. The annual review of:
 - The integrated development plan in terms of section 34 of the Municipal Systems Act.
 - The budget related policies.
 - III The tabling and adoption of any amendment to the integrated Development plan and the budget related policies.
 - IV Any consultative processes forming part of the processes referred to in sub-paragraph (i) (ii) and (iii).

The approval of the Budget is regulated by section 24 of the MFMA, which states as follows:

- 1) The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.
- 2) An annual budget:
 - a) Must be approved before the start of the budget year.
 - b) Must be approved together with the adoption by the council of the resolutions as may be necessary for:
 - i) Imposing any municipal tax for the budget year.
 - ii) Setting any municipal tariffs for the budget year.
 - iii) Approving measures performance objectives for each vote in the budget
 - iv) Approving any changes to the municipality's integrated development plan and approving any changes to the municipality's budget-related policies.

The promulgation of the Municipal Finance Management Act has brought a profound effect on the local government operations as it necessitated changes and transformation in financial planning process. As the medium-term budget for 2017/2018 – 2019/2020 financial year is an expression of continuous process of improving the financial planning progress at municipal level and conform to formats and circulars sent by national Treasury.

Areas Identified in the MFMA

Integrated Development Plan

The plan guides the municipality in respect of the budgeting process and take account of community needs and their priorities in terms of the needs identified and service gaps. Consultation with community and other stakeholders play a major role in the development of the IDP.

Budget

The budget process started in September 2017 when council approved the budget time schedule. The budget was submitted to Council for tabling on

28 March 2018. Approval of the budget is envisaged to take place on 31 May 2018.

Annual Report

An annual report has been developed for 2016/2017 and tabled to council on 31 January 2018, and an oversight committee has been established to look into the matters of the Annual report.

In-year reporting

The municipality submits and provides financial reports as required in terms of the MFMA to various stakeholders as identified on an ongoing basis. The municipality has been implementing the provisions of the MFMA in accordance

Budget and Treasury offices

A budget and treasury office has been established in accordance with the MFMA. The Supply Chain Management Unit reports to the Chief Financial Officer. The position of Chief Financial Official is filled.

Supply Chain Management

The Supply Chain Management Policy has been approved by Council. The unit of Supply Chain Management is headed by the SCM Manager who report to the Chief Financial Officer. Three bid committees are in place the Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee.

Audit Function

The municipality has a shared Internal Audit Unit with the district, with the audit charter, plan and programmes informed by the District's plan.

2.14 Municipal Manager's Quality Certificate

MUNICIPAL MANAGER QUALITY CERTIFICATE

I, KATLEGO TERELL GABANAKGOSI, Municipal Manger of Greater Taung Local Municipality hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: **KT GABANAKGOSI**

Municipal Manager of **GREATER TAUNG LOCAL MUNICIPALITY**

Signature _____

Date ____9 April 2018__

Signed one mailed seperate

2.15 Other supporting documents

Documents attached as annexures are the following:

1. Greater Taung Local Municipality IDP Document
2. Greater Taung Local Municipality A1 Schedule
3. Greater Taung Local Municipality Tariff Schedule
4. All Budget Related and HR Policies on cd